



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

New York State Office
26 Federal Plaza
New York, NY 10278-0068
<http://www.hud.gov/cts/ctshome.html>

June 17, 1997

TO: Potential Offerors

SUBJECT: Request for Proposal (RFP) HO2-R-97-0-954
Multifamily Valuation Technical Support Services
New York Office

Closing Date: July 22, 1997
Closing Time: 3 p.m.

The attached RFP describes HUD's requirements for the above subject. It is the Department's intention to award a fixed-price, indefinite quantity contract for one year with two(2) one-year options to renew.

This RFP is a **TOTAL SMALL BUSINESS SET-ASIDE**. The Standard Industrial Code (SIC) for this solicitation is 6531 and the size standard is \$1.5 million. Only proposals received from small businesses including individuals, will be considered for this contract.

The RFP is structured in accordance with the Uniform Contract Format required by the Federal Acquisition Regulation. Identified below are certain important items and their location in the RFP.

1. Section B contains the Price Schedules for services to be performed.
2. Section C contains the Statement of Work.
3. Section M contains the Factors for Award.
4. Section K, Representations and Certifications, must be completed and signed by an authorized representative of the offeror.
5. Time and due date for offers are in block 9 of the SF-33. Late proposal rules are contained in Section L and will be strictly applied.
6. Offerors must be New York State Certified General Appraisers.

7. Instructions and Conditions concerning proposal preparation and submission are in Section L, including Special Instructions.
8. Many clauses of this RFP are incorporated by reference using FAR citations. Offerors are responsible for familiarizing themselves with all contract requirements, including those merely cited.

As indicated in Block 9, Standard Form 33, the place designated for submission of proposals is Room 35-120 at 26 Federal Plaza, New York, New York. This is the only place proposals may be submitted. Please be aware that entry to the HUD building is through a metal detector. Therefore, extra time should be allowed for hand-carried deliveries. Delays experienced due to refusal of admission **DO NOT** constitute excusable delays.

Proposals should be clearly marked: **RFP H02-R-97-0-954** on the outermost mailing envelope. Please direct any questions to Sally Portella Rosen at 212 264-8000 x3317.

Offeror Alert: If you have obtained this solicitation from a source other than HUD, or if you have downloaded it from HUD's Internet Home Page, you will **not** automatically receive any amendments to it. Periodically, please check HUD's home page to see if there are any amendments.

Please Note: Not all of the attachments listed in this solicitation are included. To have a copy of the missing attachments **mailed** to you please contact Sally Portella Rosen at 212-264-8000.

Sincerely,

Edwin T. Steffek
Contracting Officer

Enclosure

SOLICITATION, OFFER AND AWARD		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RATING		PAGE 1 OF 99 PAGES	
2. CONTRACT NO.		3. SOLICITATION NO. H03R-97-0954		4. TYPE OF SOLICITATION SEALED BID (IFB) NEGOTIATED (RFP) <input checked="" type="checkbox"/> X		5. DATE ISSUED 6/17/97	
7. ISSUED BY U.S. Dept. Of Houaing and Urban Development ASCI, New York Contracting Division 26 Federal Plaza New York, NY 10278-0068		8. ADDRESS OFFER TO (If other than Item 7)		6. REQUISITION/PURCHASE NO.			

NOTE: In sealed bid, solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in **original** and 4 copies for furnishing the supplies or services in the schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in Reception area, 26 Federal Plaza, Rm 35-120 until 3:00 pm local time 7/22/97
(Hour) (Date)

CAUTION - LATE Submissions, Modifications, and Withdrawals: Section L, Provision No. 52.214-7 or 52.215-10.

All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:		A. NAME Sally Portella Rosen	B. TELEPHONE NO. (Include area code) (NO COLLECT CALLS) (212) 264-8000
---------------------------	--	---------------------------------	---

11. TABLE OF CONTENTS

(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
X	A	SOLICITATION/CONTRACT FORM	1	X	I	CONTRACT CLAUSES	3
X	B	SUPPLIES OR SERVICES AND PRICES/COST	2	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH			
X	C	DESCRIPTION/SPECS./WORK STATEMENT	30	X	J	LIST OF ATTACHMENTS	1
X	D	PACKAGING AND MARKING	1	PART IV - REPRESENTATION AND INSTRUCTIONS			
X	E	INSPECTION AND ACCEPTANCE	1	X	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	11
X	F	DELIVERIES OR PERFORMANCE	1				
X	G	CONTRACT ADMINISTRATION DATA	2	X	L	INSTRS., CONDS., AND NOTICES TO OFFERORS	5
X	H	SPECIAL CONTRACT REQUIREMENTS	1	X	M	EVALUATION FACTORS FOR AWARD	2

OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provision at 52.214-16, Minimum Bid Acceptance Period

12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52-232-8)		10 CALENDAR DAYS %	20 CALENDAR DAYS %	30 CALENDAR DAYS %	CALENDAR DAYS %
14. ACKNOWLEDGEMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offers and related documents numbered and dated:		AMENDMENT NO.	DATE	AMENDMENT NO.	DATE
15A. NAME AND ADDRESS OF OFFEROR		CODE	FACILITY	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)	
15B. TELEPHONE NO. (Include area code)		15 C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE		17. SIGNATURE	
				18. OFFER DATE	

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED		20. AMOUNT		21. ACCOUNTING AND APPROPRIATION	
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION <input type="checkbox"/> 10 U.S.C. 2304(c) () <input type="checkbox"/> 41 U.S.C. 253(c) ()				23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)	
24. ADMINISTERED BY (if other than Item 7) CODE				25. PAYMENT WILL BE MADE BY CODE	
26. NAME OF CONTRACTING OFFICER (Type or print)				27. UNITED STATES OF AMERICA (Signature of Contracting Officer)	
				28. AWARD DATE	

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official notice.

NSN 7540-01-152-8064

PREVIOUS EDITION NOT USABLE

33-132

STANDARD FORM 33 (Rev 4-85)
Prescribed by GSA FAR (48 CFR) 53.214(c)

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 Contract Definition

This is an Indefinite Quantity Contract as defined at Subpart 16.5 of the Federal Acquisition Regulations (FAR) and in Section I, Clause FAR 52.216-22. Services required under this contract shall be obtained by the issuance of Task Orders placed in accordance with Paragraph B.3 below and the following clauses in Section I: FAR 52.216-18, Ordering, and FAR 52.216-19, Delivery Order Limitations.

B.2 Task Orders

As full compensation for all services performed under any Task Order, the Contractor shall be paid at the firm fixed prices specified in B.5.

B.3 Minimum/Maximum Quantities for Order

A. Minimum Quantity

The Government shall order the minimum quantity set forth under item B.5.

B. Maximum Quantity

The Government does not guarantee a maximum quantity. However, the maximum quantity set forth in item B.5 shall not be exceeded in each year of the contract.

B.4 Geographic Location

This contract, resulting from this solicitation is for Multifamily Valuation Services under the jurisdiction of the New York Office. This covers the five boroughs of New York City: Bronx, Queens, Manhattan, Staten Island and Brooklyn; the Upstate Counties of: Westchester, Orange, Rockland, Putnam, Sullivan, Dutchess and Ulster; and the Long Island Counties of Suffolk and Nassau.

B.5 Pricing Schedule

The offeror is to complete all the unit prices for all of the items as well as Option Year 1 increase or decrease over the base year price and Option Year 2 increase or decrease over Option Year 1 prices.

The Contractor shall be paid a fixed price for completing the work required in Section C of this contract. All prices are inclusive of all expenses.

PRICING SCHEDULES I.& II.**I. APPRAISALS**

MIN. 3

MAX. 10

Processing & Housing Type	Firm	SAMA or Feasibility	Option Year 1	Option Year 2
New Constuction	\$	\$	\$	\$
Apts	_____	_____	_____	_____
Coop	_____	_____	_____	_____
232	_____	_____	_____	_____
Substantial Rehabilitation				
Apts	_____	_____	_____	_____
Coop	_____	_____	_____	_____
232	_____	_____	_____	_____
223 f				
Apts	_____	_____	_____	_____
Coop	_____	_____	_____	_____
232	_____	_____	_____	_____
241 a				
Apts	_____	_____	_____	_____
Coop	_____	_____	_____	_____
232	_____	_____	_____	_____

II. LOCAL AREA MARKET STUDIES

MIN. 5

MAX. 10

	Option Year 1	Option Year 2
\$_____	_____%	_____%

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT**BACKGROUND STATEMENT AND NEED FOR SERVICES**

The U.S. Department of Housing and Urban Development (HUD) requires Valuation technical support for selected multifamily mortgage insurance program applications. Services required under this Contract will be retained as necessary to provide timely mortgage insurance processing.

Two following two services will be required:

Appraisals--Statement of Work **Part I** (page C-1 to C-39)

Local Area Market Studies--Statement of Work **Part II** (page C-40 to C-42)

STATEMENT OF WORK PART I**1. APPRAISALS**

The process will work as follows. The project sponsor or mortgagee will submit a Form HUD-92013 ("Application for Multifamily Housing Project") for a Site Appraisal and Market Analysis, or Firm Commitment processing letter to the Field Office. The Field Office may, at its discretion, assign a project to a Contractor to perform a Valuation functional analysis. The Contractor shall perform the appropriate analysis and submit its analysis to HUD. HUD will review this analysis and use it to both support an underwriting determination, and issue the appropriate letter/commitment, if warranted.

Processing will be done at the New York HUD Office and may require two to three periods of work of approximately eight hours each to complete the in-office phase of the work. Field work is estimated to take an additional eight hours to twelve hours to complete in order to view the site and comparable data.

This contract pertains to applications for mortgage insurance for the following programs established under the National Housing Act, as amended (P.L. 86-372):

- o Section 221(d)(3)
- o Section 221(d)(4)
- o Section 223(f)

- o Section 232
- o Section 241(a)

EXHIBIT C-1 IS AN OVERVIEW OF THE PROGRAMS COVERED UNDER THESE SECTIONS OF THE NATIONAL HOUSING ACT.

2. DEFINITIONS

The following definitions shall apply to this contract:

- A. Application is the Form HUD-92013 ("Application for Multifamily Housing Project") and other required exhibits that are submitted by a Sponsor or the Mortgagee of Record to a HUD Field Office to obtain issuance of a processing letter (see definition I).
- B. Contractor is the recipient of this contract, specifically, a person or firm contracted to perform the Valuation (Val) function as later defined.
- C. Existing pertains to applications for acquisition or refinancing of existing properties under the Sections 223(f), 232 pursuant to 223(f) and certain applications under Section 241(a) of the National Housing Act, for repairs, alterations, or additions to existing properties. If the application does not meet the definition of Substantial Rehabilitation, then it would be considered existing, with or without repairs.
- D. Field Appraiser/Appraisal pertains to the appraiser (sometimes referred to as the Valuation Analyst), HUD staff or Contractor, and the appraisal/Valuation processing done at a particular processing stage under a particular section of the National Housing Act. The Field Appraiser's appraisal done in the field is reviewed for conformity to outstanding instructions contained in this Statement of Work.
- E. HUD is the U.S. Department of Housing and Urban Development.
- F. Mortgagee of Record is the lender issuing the mortgage on the project captioned in Section A of Form HUD-92013 ("Application for Multifamily Housing Project").

- G. New Construction pertains to applications for new construction project mortgage insurance under Sections 221(d)(3), 221(d)(4), and 232 and new construction additions under Section 241(a) of the National Housing Act.
- H. Originating Mortgagee is a HUD-approved mortgagee that originates an application for multifamily mortgage insurance or submits such an application on behalf of a project Sponsor.
- I. Processing Letter is one of three letters issued by HUD after analysis of an application for multifamily mortgage insurance. A letter is issued after completion of a processing stage. Letters are issued for:
- o Site Appraisal and Market Analysis (SAMA)
 - o Feasibility,
 - o Firm Commitment.
- J. Processing Stages are the phases that are used in the evaluation of an application. They are: Site Appraisal and Market Analysis (SAMA), Feasibility, and Firm Commitment. These are discussed in Section C-4.B.
- K. Sponsor/Owner is the individual or entity planning the project captioned in Section A of Form HUD-92013 ("Application for Multifamily Housing Project").
- L. Substantial Rehabilitation may pertain to applications for substantial rehabilitation project mortgage insurance under Sections 221(d)(3), 221(d)(4), and 232 and certain applications under Section 241(a) of the National Housing Act. Substantial Rehabilitation occurs when either:
- o One or more entire major building component is being replaced, or
 - o The estimated cost of repairs is more than the greater of:
 - \$6,500 per unit, adjusted by any applicable high cost factor, or
 - 15 percent of the replacement cost of the property (value of the property for the Section 232 and

Section 223(f) programs) after the repairs have been completed.

- M. Task Order is the mechanism by which HUD will assign work to the Contractor that will perform processing on a particular application or set of applications.

3. CONTRACT OBJECTIVES

The purpose of this contract is to obtain the services of a highly qualified real estate appraiser or appraisal firm for the New York Field Office who can provide technical expertise in Valuation for each of the five programs stated in Section 1 above.

This contracting mechanism is designed to enable HUD to procure the services of a Contractor to assist in performing Valuation functions. Consultations during HUD's review of Contractor work may be required and are part of the work requested of the Contractor.

Specifically, a Contractor's services may be requested to perform Valuation functions required at:

- A. the Feasibility, SAMA or Firm Commitment processing stages under Section 221(d)(3), 221(d)(4) and 232;
- B. the Firm Commitment for Section 223(f) and 241(a); and,

All completed contract work shall be subject to strict HUD review by the Field Office.

4. SCOPE OF WORK

- A. Task Order

The services of a Contractor shall be required by a Task Order which shall specify the work to be performed

The process shall proceed as follows:

- o The Field Office may order the services of the Contractor at any stage of processing. Once the Field Office determines that there is a need for services, previous Valuation processing on the project, if any,

shall be provided to the Contractor along with the Task Order as needed to conduct the required analyses.

- o The Contractor shall perform the Valuation functions specified in the Task Order.
- o Upon completion of the work required in the Task Order, the Contractor shall submit the required deliverables and all relevant documentation to the GTR for review and continued processing.
- o If the GTR, upon review of the deliverables, determines that the work product is acceptable, the Contractor shall be so notified. However, if the product is judged to be unacceptable, then the Contractor shall be responsible for correcting any problems within the time frame set by the GTR without additional cost to the Government. (See FAR 52.246-2 Inspection of "Services-Fixed Price.")
- o Upon approval of the work products, the Government will pay the Contractor's invoice for processing services performed.

B. Overview of Processing Stages

[1] Sections 221(d)(3), 221(d)(4), and 232

There are three standard stages for processing a multifamily mortgage insurance application. For applications received for the 221(d)(3), 221(d)(4), and 232 new construction and substantial rehabilitation mortgage insurance, the Contractor shall perform stages (b)(1), (b)(2), (c) and (d) as described below:

- (a) Pre-Application -- The sponsor meets with representatives from the HUD Field Office to present a project idea and to receive early feedback on the best applicable program and general information. If the proposal is obviously ineligible for any of HUD's programs, the sponsor will be so advised before any substantial effort is expended. If the proposal appears to meet the objectives of a HUD program, the Field Office staff will assist in preparing a project application.

(b)(1) Site Appraisal and Market Analysis (new construction projects only)

- o The HUD Field Office staff appraiser or contract appraiser shall perform a sub-market analysis and the HUD (or other Contractor's) architect/engineer shall perform a physical assessment of the site to determine if the project site is acceptable.
- o The HUD staff appraiser or contract appraiser shall establish the rents (or bed rates) that the proposed project should generate, as well as the value of the land. Rents for Nursing Homes are to be projected to the first year of occupancy. Rents for apartments are to be as of the date of the appraisal.
- o The HUD staff appraiser will conduct an environmental analysis of the site. The HUD Field Office staff's Economic and Market Analysis Division will perform a macro-level market analysis on the project and Housing Management shall assess the impact of this project relative to its inventory.
- o The HUD contractor shall determine the marketability of the proposed project and the proposed rents including all processing forms as required by HUD handbook instructions.

(b)(2) Feasibility Stage (for substantial rehabilitation only) --

- o The Contractor shall perform a sub-market analysis to determine demand and supply for the proposed project.
- o A physical assessment of the subject property shall be made jointly by the Contractor and HUD's (or other Contractor's) cost analyst. (If the joint assessment cannot be accomplished in a timely manner, the Contractor may proceed to perform this function with GTR permission) The assessment shall determine if the subject property is acceptable for

the proposed rehabilitation, and if the sponsor's work write-up must be modified.

- o The HUD Field Office staff appraiser will conduct an environmental analysis of the site. The HUD Field Office staff's Economic and Market Analysis Division will perform a macro-level market analysis on the project and Housing Management shall assess the impact of this project relative to its inventory.
- o The Contractor shall estimate the "as is" and "after rehabilitation" project income and expenses, as well as the replacement cost including all processing forms as required by the HUD handbook instructions.
- o The Contractor shall make a recommendation to the GTR regarding the Feasibility of the subject property.

(c) Firm Commitment Stage --

- o The Contractor shall verify the final analysis of the project in accordance with the requirements of the SAMA or Feasibility processing and reiterate any of the tasks performed during the SAMA or Feasibility stage, as required by modifications in the project plans or other changed assumptions.

(d) Initial Endorsement Stage -- For projects being processed for insurance of advances only, HUD will provide the initial insurance endorsement. To this end, HUD ensures that the closing documents incorporate cash requirements and other terms of the Firm Commitment.

(e) Construction Stage -- The HUD architect/engineer will monitor the sponsor's administration of the construction contract, and performance of the sponsor's architect and contractor. Other HUD disciplines will also be involved in HUD's approval of advances and change orders, and in monitoring Davis-Bacon wage rate compliance.

(f) Cost Certification and Final Endorsement Stage -- The

HUD cost analyst will review the contractor's cost certification (Cost Plus Contracts only), and the HUD mortgage credit analyst will review the sponsor's cost certification. The mortgage credit analyst will also review the maximum mortgage calculations. HUD will review the final closing documentation and endorse the mortgage insurance.

- (g) Post-Construction Guarantee Period -- For new construction and substantial rehabilitation projects, the Field Office's design architect/engineer will conduct at least two guarantee inspections at the 9th and 12th month after final endorsement.

A project application may be processed through no more than five stages. The HUD Field Office will make all determinations regarding use of consolidated stage processing for all projects. Additionally, where a sponsor cannot accept any terms, conditions or requirements of the HUD-issued SAMA/Feasibility letter, or Firm Commitment letter, the Contractor cannot perform further processing until HUD and the sponsor have reconciled the issues. Thus, all Contractors shall remain flexible regarding the processing requirements for any given project.

[2] Section 223(f)

There are no SAMA/Feasibility, Initial Endorsement, or Construction processing stages for a 223(f) application. Therefore, the Contractor shall be required to make technical services available for no more than the Firm Commitment stage.

[3] Section 241(a)

There is no Feasibility stage for a 241(a) application. The Contractor shall, however, be required to perform Valuation functions related to Firm Commitment processing.

5. OVERVIEW OF HUD HANDBOOKS AND FORMS

The primary guides for describing required processing steps are the HUD Handbooks. There are both technical discipline handbooks and programmatic handbooks. A complete set of the relevant handbooks will be available at the NY Field Office for interested real estate appraisers and appraisal firms. HUD

Handbook 4445.1, Underwriting-Technical Direction for Project Mortgage Insurance, provides a good general description of application processing.

Section C.7 of the Contract outlines the forms the Contractor shall sign for each stage of processing. The most important form the Contractor shall sign is Form HUD-92264 ("Rental Housing Project Income Analysis and Appraisal"), which is filled out during each stage of processing for 221(d)(3), 221(d)(4), 223(f) and 241(a) projects. The HUD-92264 is the form on which project rent, expense, replacement cost, and land value information is recorded. For cooperatives, the Contractor shall complete the relevant technical sections of Form HUD-2264B. For 232 projects, the Contractor shall fill out these sections on Form HUD 92264NHICF instead of the Form HUD 92264. The information from these forms feeds into the Form HUD 92264A ("Supplement Project Income Analysis"), which is used to determine the maximum insurable mortgage amount.

6. DETAILED WORK REQUIREMENTS

SECTION 6.1: General Valuation Considerations

A. Overview of Detailed Processing

The Contractor shall perform all processing required by the HUD Handbooks and this Contract for the particular project and program. The Contractor shall coordinate with the GTR and the project sponsor/mortgagee as needed to perform the required processing. The Contractor shall be responsible for providing Valuation technical expertise. The work requirements for each are presented below. The technical Handbooks listed below are applicable to this Contract.

The general task is to perform an appraisal of the site and proposed project in order to determine the value of the property as a security for HUD insured mortgage financing. The Contractor shall complete the appropriate portions of Form HUD-92264 (or 92264NHICF).

B. Purpose of Appraisal

The Valuation technical discipline performs the appraisals during processing of a mortgage insurance application. The

purpose of an appraisal (except for Section 241(f)s) is to assess underwriting risk by determining whether the project property will generate sufficient income to support the expected mortgage and to determine the value of the property as a security. Accurate appraisals ensure that HUD is not insuring a mortgage amount that is greater than the security value of the property.

(1) Overview of Valuation Processing

For 221(d)(3), 221(d)(4), and 232 projects, the Contractor shall be required to perform processing requirements for Feasibility, SAMA or Firm Commitment processing. At the Feasibility stage--once HUD determines that there is sufficient macro-level demand for the project--the Contractor shall visit the site and obtain comparables for both the land and existing rental units which are similar to those being proposed in the project application. The Contractor shall also establish the rents and occupancy levels that the proposed project will generate, as well as determine if there is a market for the proposed project at the estimated rents.

During the Firm Commitment stage for proposed construction, the Contractor shall determine if the proposal has any significant deviation from the SAMA conclusions and then estimate the operating expenses of the project. The resulting Net Operating Income (NOI) is then used to estimate the supportable Debt Service Mortgage calculations. Based on the project replacement cost initiated by the cost analyst, the Contractor shall make a preliminary determination of the maximum mortgage amount, and complete the replacement cost calculation.

There is no SAMA stage for substantial rehabilitation projects. Instead, the initial processing stage is referred to as the "Feasibility Stage." For substantial rehabilitation projects, the Contractor shall be responsible for participating in a walk-through of the project in conjunction with the HUD architect/engineer and cost analyst. The Contractor shall select data adequate to establish an "as is" value and for completing after rehabilitation processing under the Section of the Act appropriate to the subject:

- o For 221(d) substantial rehabilitation projects, the Summation (Cost) approach shall be used.
- o For 232 substantial rehabilitation projects, the

Summation (Cost), Income, approaches to value shall be used.

Because there is no SAMA stage for 223(f) projects, the Contractor's work shall begin with Firm Commitment stage processing. During this stage, the Contractor shall choose rent comparables, perform a site visit, and verify by completing HUD forms 92273 Rental Analysis and 92274 Expense Analysis, the rental income and operating expenses that have been supplied by the project sponsor. Based on the projected rental income and operating expenses, the Contractor shall calculate the proposed project's value by the Market Approach, the Income Approach, and Summation approach, as well as preliminarily determine the maximum insurable mortgage amount. Likewise, there is no SAMA stage for 241(a) projects. The Contractor's work shall begin with Conditional Commitment stage processing. The processing requirements follow those of the program under which the first mortgage was insured. The Contractor shall consider the value of the proposed alteration as opposed to its cost, and whether the estimated net income can support the additional improvements. Programs where the maximum mortgage is based on value rather than replacement cost (Sections 223(f), 232, and 232/223(f)) also require calculation of an overall capitalization rate.

(2) Handbooks and Forms

The basic appraisal instructions used by the appraiser to complete the forms and perform processing are delineated in HUD Handbooks 4445.1, 4465.1, and 4480.1. Programmatic requirements are discussed in the other handbooks instructions cited below.

The Contractor shall be responsible for having complete familiarity with the handbooks and other processing instructions that describe the tasks the Contractor shall perform during each of the processing stages for a mortgage insurance application. These are:

- o 4445.1 Underwriting-Technical Direction for Project Mortgage Insurance
- o 4465.1 The Valuation Analysis Handbook for Project Mortgage Insurance

- o 4480.1 Multifamily Underwriting Reports and Forms Catalog
- o 4550.1 Basic Cooperative Housing Insurance
- o 4550.2 Presale-Management Type Cooperative
- o 4550.3 Existing Construction-Management Type Cooperative Housing
- o 4550.4 Supplementary Loan-Cooperative Housing
- o 4550.5 Investor-Sponsor and Non-Profit Sponsorship of Housing Cooperatives
- o 4560.1 Rev Section 221(d)(3): Market Interest Rate for Project Mortgage Insurance
- o 4560.2 Mortgage Insurance for Moderate-Income Housing Projects: Section 221(d)(4)
- o 4560.3 Mortgage Insurance for Single Room Occupancy Projects under Sections 221(3) & (d)(4)
- o 4565.1 Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects: Section 223(f)
- o 4600.1 Administrative Procedures for Nursing Homes and/or Intermediate Care Facilities
- o Notice H 91-39 (HUD) -- "Need to Reduce Underwriting Risk on Multifamily Insured and Coinsured and Delegated Processing Projects"
- o Notice H 90-17 (HUD) -- "Obtaining Low Income Housing Tax Credits (LIHTC) with HUD Programs"
- o February 22, 1988 Memorandum from Thomas T. Demery, "Processing HUD-Insured Projects Involving Low-Income Housing Tax Credits"
- o February 27, 1987 Memorandum from Thomas T. Demery, "Tax-Exempt Bond Financing for HUD-Insured Multifamily Projects"

- o Notice H 97-10 Nursing Home, Board and Care and Assisted Living Facilities.

It shall be the responsibility of the Contractor to be completely familiar with the requirements and processing stages discussed in these handbooks.

All of the Handbook and regulatory citations and other processing instructions described in this Contract are subject to revision. Whenever possible, changes to the Handbooks, regulations, codes or instructions will be distributed to the Contractor. However, it shall be the Contractor's responsibility to ensure all Valuation analysis and Valuation reviews are conducted according to current HUD standards.

The primary forms that the Contractor shall be responsible for completing during processing 221(d)(3), 221(d)(4), and 223(f) applications are Form HUD-92264 ("Rental Housing Project Income and Analysis and Appraisal"), and the forms that feed into it (Form HUD-92273, "Estimates of Market Rent by Comparison" and Form HUD-92274, "Operating Expenses Analysis Worksheet"). Any other relevant attachments must also be identified in remarks and appended to Form HUD-92264 (i.e., individual data sheets for rent and operating expense comparables, including market absorption data). All rent and operating expenses shall be done on a per unit basis.

For 232 projects, the Contractor shall be responsible for completing Form HUD-92264NHICF ("Project Analysis and Appraisal") and attachments equivalent to those discussed above.

For all projects, the Contractor shall be responsible for completing, on a preliminary basis, Form HUD-92264A ("Supplement to Project Analysis"), sometimes referred to as the Trial HUD-92264A.

Completion of all forms shall be based upon a full narrative appraisal prepared by the Contractor.

C. Comparison to Conventional Market Processing

HUD methodologies for performing appraisals do vary from those of conventional market processing, even though the basic

appraisal components do not vary significantly. HUD's emphasis is on ensuring that the proposed project will generate sufficient cash flow to pay debt service on the mortgage and pay a reasonable return on investment to the mortgagor. The Contractor shall follow HUD's methodologies as described in the Handbooks.

SECTION 6.2: Multifamily Project Work Requirements by Type of Program: Detailed Work Requirements

The detailed responsibilities of the Contractor during each mortgage insurance application processing stage are described below. Specific details on how the Contractor shall complete Form HUD-92264 ("Rental Housing Project Income Analysis and Appraisal") for the mortgage insurance programs described in this Contract are contained in Handbook 4480.1, Multifamily Underwriting Reports and Forms Catalog.

A. Section 221(d)(3) -- New Construction

(1) SAMA Stage

For information purposes, the HUD-92013 submitted by the project sponsor/mortgagee gives the following regarding the proposed project:

- o Location and description of property and proposal
- o Information concerning land or property
- o Sponsor's estimate of income
- o Equipment and services

Using this information, the HUD contractor shall:

- (a) Preliminarily select comparables in preparation for conducting a site visit to:
 - o Perform the land appraisal and collect additional land sales comparables, as discussed in Handbook 4465.1, Paragraph 1-4 (c) p. 1-5, Chapter 2, pp. 2-1 through 2-6 of Handbook 4465.1. Pictures of the proposed site area and of all land comparables and their immediate areas shall be taken.
 - o Determine site acceptability, as discussed in Handbook 4465.1, Paragraphs 1-4 (b) and 1-8. (Physically inspect site.)

- o Select rent comparables on units similar to proposed project. Comparable information and analysis should be recorded on Form HUD 92273 ("Estimates of Market Rent by Comparison"). Pictures of the comparables shall be taken.
- (b) Complete Sections A-D, of Form HUD 92264 ("Rental Housing Project Income Analysis and Appraisal"). Chapter 5 of HUD Handbook 4465.1 describes the procedures to be followed in estimating project rental income.
- (c) Complete Section J of the Form HUD 92264 to indicate if the project site is acceptable and estimate land value fully improved and acquisition cost based on last arms-length transaction.

(2) Firm Commitment Stage

If the SAMA stage is skipped, the Contractor shall complete the tasks described above for SAMA stage processing as part of Firm Commitment processing. General instructions for Firm Commitment stage processing are contained in Handbook 4465.1, Section 1-5.

During the Firm Commitment stage, the Contractor shall, if there was processing at the SAMA stage:

- (a) Analyze the sponsor's application to ascertain whether the sponsor has significantly changed the proposed project. The rents may have to be reanalyzed if the project has significantly changed.
- (b) Collect information regarding operating expense comparables, and record it on Form HUD-92274 ("Operating Expense Analysis Worksheet").
- (c) Based on the information collected in step (b), complete Form HUD- 92264, Sections A through F, and I. Estimating operating expenses is described in HUD Handbook 4465.1, Paragraph 1-4(f), and in Chapter 6, and HUD Handbook 4480.1, p.2274-1.
- (d) Complete replacement cost formula. See HUD Handbook 4480.1, pp. 2264.70 or 2264.71, as applicable.

B. Section 221(d)(3) -- Cooperative Management-Type New Construction

The processing procedures for 221(d)(3) new construction cooperative projects are basically the same as under the rental housing programs. One key difference is that Form HUD-92264B is used instead of Form HUD-92264.

Other key differences are as follows:

Complete Form HUD-92273, but make adjustments for:

- Any significant differences
- Owner's income tax benefits

The unit charge per month shall be based on the current rental charge for similar units in the same or competing locations. This is necessary because the cooperative mortgage shall be limited to an amount which bears a reasonable relationship to the earning capacity of the property in the rental market. It is assumed that income sufficient to support a 90% rental mortgage would be more than adequate to support a 98% cooperative mortgage.

Calculate the expenses of the cooperative. Indicate, for example, whether the provision of ranges and refrigerators will be the responsibility of the cooperative in the "Range and Refrigerators Replacement." If down payments are typically less than \$500 per unit, replacement of refrigerators and ranges as a corporate expense shall be required. Estimate the annual common expense. Determine the common expense by an estimate performed on Form HUD-92274 or an equivalent attachment. The variances from the rental procedures described above are:

- An estimate of apartment resale expense shall be made in lieu of advertising.
- Computation of "Reserve for Replacements." Enter .004 of Section H, line 50, when replacement of refrigerators and ranges is not a corporate expense. When it is a corporate expense, compute the replacement as .006 of Section H, line 50.

Estimate fixed charges and net common expense and fixed charges. Valuation Attachment A attached to Section C of this contract should be used to compute these figures. When Annual Net Income has been entered in Line 34 of Attachment A, it is used in Criterion 5, "Amount Based on Debt Service Ratio," of Form HUD-92264A.

Estimate replacement cost. The replacement cost loan ratio percentage shall be 98% and not 90%. If the debt service criterion is not controlling, the unit charges shall be reduced to conform with the cooperative rent formula. In calculating the Development Services Allowance, line 77 on Form HUD 92264B, entitled "other", should be changed to read "Development Service Allowance," and the estimate should be entered there. In making the estimate, the following items, unique to cooperatives, should be considered.

- Effort by the professional group initiating the project.
- Extra forms and other exhibits, including Form FHA-2415 ("Request for Commencement of Early Construction"), information bulletin, occupancy agreement, cooperative balance sheet, cooperative membership meeting minutes, and Agreement for Replacement of Certain Expenses of Developer Hold Back Escrow Agreement.
- Development and execution of procedures usually needed for building separately and later combining model units and various sections into one project.
- Development of procedures for additional escrow requirements for funds received from subscribers.
- Development of procedures for setting up the provisional board of directors to function on behalf of the cooperative until it can elect its own board.
- Provision of additional advice and assistance, both legal and administrative, to newly elected board of resident members for 90 days after final closing.

Estimate marketing expenses, based on the data reflecting the location, size and type of project, including:

- Hire of professional real estate sales agents to qualify

applicants.

- Cover the usual advertising and promotion expenses for a reasonable sale period.

Calculate the value of leased fee, if applicable. In general, the ground rent capitalized cannot exceed the as-is value of the site.

Estimate expenses not included in the common expense.

Personal benefit expenses are those housing expenses not included in the unit charges and are an obligation of the individual cooperator. For each type of unit, make estimates for all essential services and equipment not provided for in the common expense.

With these exceptions, processing for cooperatives is the same as for other 221(d)(3) applications.

C. Section 221(d)(3) -- Investor-Sponsor - New Construction

The processing procedures for 221(d)(3) investor-sponsor new construction cooperative projects are basically the same as under the rental housing programs. One key difference is that Form HUD-92264B is used instead of Form HUD-92264.

Other key procedural differences are as follows:

Complete Sections A through F and Section I of Form HUD-92264 as if the project were operated as a 221(d)(3) rental. Determine the mortgage amount that could be supported by 90 percent of the net income. That mortgage amount shall be deducted from the cooperative mortgage (see next paragraph). An escrow in the amount of the difference shall be established. In case the cooperative is unsuccessful, the escrow shall be deducted from the cooperative mortgage.

Process Form HUD-92264B according to the instructions for management-type proposed construction (see Section B, above), with the following exceptions:

- Section H. Estimated Replacement Cost.
 - Item 66, Interest. Base the amount on a 98% loan ratio.

- Item 62, 65, 67, and 68. Base these items on the mortgage amount applicable to the investor-sponsor, which shall be the lesser of the 90 percent of estimated replacement cost or the debt service mortgage from above.
- Items 73 and 74. Indicate separately the amounts applicable first to a rental project and second the additional amounts applicable to the cooperative. Make these entries to the left of the totals.

D. Section 221(d)(3) -- Management Type - Rehabilitation for Conversion

The processing procedures for 221(d)(3) management type, rehabilitation for conversion cooperative projects are basically the same as under the management-type proposed construction described in Section B above.

Other key differences are as follows:

In completing Form HUD-92264B:

- Section E. Item 21 - Replacement Reserve. Enter .004 times the amount of the mortgage (.006 if replacement refrigerators and ranges are a cooperative expense).
- Section H. Estimated Replacement Cost. The cost analyst will complete items 43 through 61 based on the amount of rehabilitation.
- Item 62. Interest. Base on half the sum of the "as is" value and the mortgage.
- Item 67. Inspection Fee. Enter .5% of the amount of the rehabilitation recorded in Item 59.
- Item 73 and 74. Legal and Organization. Include only that amount required to effect conversion from a rental to a cooperative project.
- Item 77(a). Contingency Reserve. Interline "Contingency Reserve" between Items 77 and 78. Enter the amount of the reserve, which may vary from 0 to 10 percent of the sum of Items 45, 50, and 51. The HUD

Chief Underwriter will tell the Contractor the exact percentage to use for this reserve for each project.

- Item 79. Warranted Price of Land. Amend to read "As Is" value - value before rehabilitation. ("As Is" value should be established in accordance with procedures references in Section F below.)
- Item 80. Total Estimated Replacement Cost of Project. Amend to read "Summation Estimate." This is the sum of the: the as-is value of the property; the rehabilitation cost and carrying charges; legal, organization and marketing expense of the cooperative mortgagor. The sum shall be the Contractor's estimate of project replacement cost.

E. Section 221(d)(3) -- Investor-Sponsor Rehabilitation.

In processing 221(d)(3) investor-sponsor rehabilitation for cooperative projects, complete Form HUD-92264B, HUD-92264 and HUD-92264A as for Investor-Sponsor Cooperatives, New Construction, with the following changes:

Section H. Estimated Replacement Cost.

- Items 43 through 61. These will be completed by the cost analyst based on the amount of rehabilitation.
- Item 62. Interest. Base on half the sum of the "as is" value and the mortgage.
- Item 67. Inspection Fee. Enter .5% of the amount of the rehabilitation recorded in item 59.

F. Section 221(d)(3) -- Substantial Rehabilitation

(1) Feasibility Stage

A general overview of how to process a substantial rehabilitation application is contained in HUD Handbook 4465.1, Chapter 10.

Processing of the mortgage insurance application by the Valuation analyst (appraiser) begins upon receipt of the Form HUD-

92013 ("Application for Multifamily Housing Project"), which gives the appraiser the following information regarding the proposed project:

- o Location and description of property and proposal
- o Information concerning land and property
- o Before rehabilitation rental rates
- o Estimate of after rehabilitation rental rates
- o Amenities currently offered in the project
- o Amenities that are to be offered in the post-rehabilitated project
- o Sponsor's estimated development costs

Using this information, the Contractor shall:

- (a) Preliminarily select comparables in preparation to conduct a joint walk-through visit (with HUD or other contract cost analyst and architect/engineer). The Contractor shall determine the acceptability of the subject property for the rehabilitation proposed by the sponsor. The Contractor shall also take pictures of the subject property.
- (b) Conduct the "as is" appraisal:
 - o Using an estimate of replacement cost new, provided by the Cost Processor and adjusted for depreciation.
- (c) Conduct the "after rehab" appraisal:
 - o Select rent comparables on units similar to proposed rehab project to derive "after rehabilitation" rental income. Comparable information and analyses should be recorded on a Form HUD-92273 that has been labeled "After Rehab."
 - o Collect information regarding operating expense comparables to derive the "after rehabilitation" expenses of the project, and record them on Form HUD-92274 ("Operating Expense Analysis Worksheet") that has been hand-labeled "After Rehabilitation".

Estimating operating expenses is described in HUD Handbook 4465.1, Paragraph 1-4(f), and in Chapter 6, and HUD Handbook 4480.1, p.2274-1.

- o Complete Sections A-D, and F of Form HUD-92264 ("Rental Housing Project Income Analysis and Appraisal"), which has been labeled "After Rehab".
 - o Take pictures of the comparables and their immediate areas.
- (d) Upon receipt of the cost analyst's replacement cost estimate, complete replacement cost formula. See HUD Handbook 4480.1, pp. 2264.70 or 2264.71, as applicable.
 - (e) Based upon the Form HUD-92264 "After Rehab" calculations, complete a Trial Form HUD-92264A ("Supplement to Project Analysis").
 - (f) If the maximum mortgage amount is driven by any criteria other than replacement cost (Item 3 of the Form HUD-92264A), the Contractor shall complete Section G of the Form HUD-92264, Items 53-74, based on the maximum supportable mortgage from the Trial-92264A. See HUD Handbook 4465.1, Paragraph 1-4(d).
 - (g) Estimate the initial deposit to reserve for replacement, as discussed in HUD Handbook 4465.1, Paragraph 10-5, pp. 10-3 through 10-5. Complete Form HUD-92264 "After Rehab", Section G, lines 53-74.
 - (h) The GTR will review the work of the Contractor, determine if the work is acceptable and determine whether to issue a Feasibility letter.

(2) Firm Commitment Stage

If the feasibility stage is skipped, the Contractor shall still follow the analytical procedures described above. If the application has not significantly changed, the Contractor shall complete all calculations and entries on the Form HUD-92264, and compute, for the final time, the maximum mortgage amount on the

Trial Form HUD-92264A. All appraisal work shall then be forwarded to the GTR.

If the application has changed, but not significantly, the procedures followed during the Feasibility stage shall be repeated as necessary to complete the Form HUD-92264 and HUD-92264A before sending the appraisal work to the GTR.

A general description of processing during the Firm Commitment stage is contained in Handbook 4465.1, Paragraph 1-6.

G. Section 221(d)(4) -- New Construction

Processing for 221(d)(4) New Construction applications is the same as for 221(d)(3) New Construction applications.

H. Section 221(d)(4) -- Substantial Rehabilitation

Processing for 221(d)(4) Substantial Rehabilitation applications is the same as processing 221(d)(3) Substantial Rehabilitation applications.

I. Section 223(f) -- Acquisition or Refinancing

The principal purpose of an appraisal for a 223(f) project is to estimate the market value of the property. "Market value" is defined in HUD Handbook 4565.1, Chapter 5, Paragraph 5-3.

(1) SAMA Stage

Section 223(f) mortgage insurance applications are not processed through a SAMA stage.

(2) Firm Commitment Stage

Along with the project application, Form HUD-92013 and required exhibits, the Contractor shall receive the following documentation regarding the project:

- o Project balance sheets and operating statements
- o Rent roll of the property
- o Legal description of the property
- o List of proposed repairs to the property
- o Sponsor's plans and specifications for the repairs

Once the Contractor has received the above documentation, the Contractor shall:

- (a) Perform an inspection of the property. Optimally, the inspection should be made in conjunction with the architect/engineer or cost analyst, as described in HUD Handbook 4565.1, Chapter 5, Paragraph 5-4, p. 5-2.
- (b) Estimate rental income, as described in HUD Handbook 4565.1, Chapter 5, Paragraph 5-6, p. 5-2, and HUD Handbook 4465.1, Chapter 5, p. 5-1. Form HUD-92273 ("Estimates of Market Rent by Comparison) and Form HUD-92264 ("Rental Housing Project Income Analysis and Appraisal"), Sections C and F shall be completed in accord with the instructions contained in HUD Handbook 4480.1.
- (c) Analyze the project operating history, as described in HUD Handbook 4565.1, Chapter 5, Paragraph 5-8, pp. 5-3 through 5-4.
- (d) Estimate project operating expenses, as described in HUD Handbook 4465.1, Chapter 6, pp. 6-1 through 6-6. Form HUD-92274 ("Operating Expense Analysis Worksheet") and Form HUD 92264, Sections E, G (lines 53-74), and I shall be completed in accordance with HUD Handbook 4480.1.
- (e) Estimate the remaining economic life of the building, as described in HUD Handbook 4565.1, Chapter 5, Paragraph 5-10.
- (f) Estimate the market value of the project by the Income Approach as described in HUD Handbook 4565.1, Paragraph 5-9, p. 5-4 and HUD Handbook 4465.1, pp. 7-1 through 7-11. The result shall be recorded on Form HUD-92264, Section K, in accordance with HUD Handbook 4480.1.
- (g) Estimate the market value of the project by the Market Comparison Approach, as described in HUD Handbook 4565.1, Chapter 5, Paragraph 5-11, pp. 5-4 through 5-5 and HUD Handbook 4465.1, pp. 8-1 through 8-6. The result shall be recorded on Form

HUD-92264, Section K.

- (h) Estimate the market value of the project by the Summation (Cost) Approach (without depreciation), as described in HUD Handbook 4565.1, Chapter 5, Paragraphs 5-13 and 5-14, p. 5-5, and HUD Handbook 4465.1, pp. 2-1 through 2-6. The result shall be recorded on Form HUD-92264, Section K.
- (i) Finish estimating, on a preliminary basis, the maximum mortgage amount of the project, as described in HUD Handbook 4565.1, Chapter 5, Paragraph 5-15, p. 5-7. Form HUD-92264A ("Supplement to Project Analysis") shall be completed.
- (j) Record remarks as required in HUD Handbook 4465.1 Chapter 5, Paragraph 5-16, p. 5-7 on Form HUD-92264, Section O.

The Contractor shall finalize all calculations and entries on the Form HUD-92264, and compute for the final time, the maximum mortgage amount on the Trial Form HUD-92264A. All appraisal work shall then be forwarded to the GTR.

J. Section 232 -- New Construction

(1) SAMA Stage

Valuation processing of a mortgage insurance application during the SAMA stage will be carried out by Contract appraisal. For informational purposes, Form HUD-92013NHICF ("Application for Multifamily Housing Project") submitted by the project sponsor/mortgagee gives the following regarding the proposed project:

- o Location and description of property and proposal
- o Information concerning land or property
- o Sponsor's estimate of income
- o Equipment and services

Using this information, the appraiser will:

- (a) Preliminarily select data in preparation to conduct a site visit to:

- o Perform the land appraisal and collect additional land sales comparables, as discussed in Handbook 4465.1, p. 1-5, Paragraph 1-4 (c). Chapter 2, pp. 2-1 through 2-6 of Handbook 4465.1 discusses this in more detail. Pictures of the proposed site area and of all land comparables and their immediate areas shall be taken.
- o Determine site acceptability, as discussed in Handbook 4465.1, Paragraphs 1-4 (b) and 1-8, and in Chapter 6, Paragraph 6-1, pp. 6-1 through 6-3. (Physically inspect site.)
- o Select comparables on facilities similar to those of the proposed project as to bed rate or unit comparables. Comparable information and analyses should be documented and made part of the file processing. Pictures of the comparables shall be taken. See HUD Handbook 4600.1, Chapter 6, Paragraph 6-3, parts (2)-(4c). Sections A, B, and J of Form HUD-92264NHICF shall be completed.

(NOTE: In processing a SNF or ICF proposal, at least 80% of the bed rate or unit rate income shall be estimated at the Medicaid rate. Private bed rates significantly in excess of Medicaid rates shall be kept to a minimum.)

- (b) The appraiser shall estimate the realty, nonrealty, and proprietary income of the proposed project, as described in HUD Handbook 4600.1, Chapter 6, Paragraph 6-4 part (5). Information shall be recorded on Form HUD-92264NHICF, Section C.

During the Firm Commitment stage, the Contractor shall:

- (a) If there was processing at the SAMA stage, analyze the sponsor's application to ascertain whether the sponsor has significantly changed the proposed project. If the project has significantly changed, the bed rates may have to be reanalyzed.
- (b) Collect information regarding operating expense comparables (both realty, nonrealty, and

proprietary). All operating expense comparables shall be well documented. Estimating operating expenses is described in HUD Handbook 4465.1, Paragraph 1-4(f) and Chapter 6, and in HUD Handbook 4600.1, Chapter 6, Paragraph 6, part (d), p. 6-6.

- (c) Based on the information collected in step (b), complete Form HUD- 92264NHICF, Sections A through G.
- (d) Complete Section J, line 14 to the fullest extent possible. Transcribe warranted price of land fully improved to Section H for later use in the replacement cost estimate.
- (e) Complete Section K of Form HUD-92264NHICF. Establish the capitalization rate (see HUD Handbook 4600.1 Rev 1, Chapter 7 Paragraph 7-8). Transcribe the net income from Section G to Section K and determine capitalized value using selected cap. rate. Transcribe estimate of value by capitalization to appropriate space in Section L of Form HUD- 92264NHICF. See HUD Handbook 4465.1, Chapter 7.
- (f) Complete replacement cost by formula format. See HUD Handbook 4480.1.
- (g) Based upon the Form HUD-92264NHICF calculations, complete a Trial Form HUD-92264A ("Supplement to Project Analysis").
- (h) Using the lowest of Form HUD-92264A criterion 1, 3, or 5 or 6 as the maximum insurable mortgage, complete Section H of the Form HUD- 92264NHICF, based on the maximum supportable mortgage from the Trial HUD-92264A.
- (i) The Contractor shall send the Form HUD-92264NHICF, complete with all attachments, to the GTR.

K. Section 232 -- Substantial Rehabilitation(1) Feasibility Stage

A general overview of how to process a substantial rehabilitation application is contained in HUD Handbook 4465.1, Chapter 10.

Processing of the mortgage insurance application by the Contractor shall begin upon receipt of the Form HUD-92013NHICF ("Application for Multifamily Housing Project"), which gives the following information regarding the proposed project:

- o Location and description of property and proposal
- o Information concerning land or property
- o Before rehabilitation rent per bed/unit
- o Estimate of after-rehabilitation rent per bed/unit
- o Services currently offered in the project
- o Services that are to be offered in the post-rehabilitation project
- o Sponsor's estimated development costs
- o Sponsor's estimated cost of equipment

Using this information, the Contractor shall:

- (a) Preliminarily select comparables in preparation to conduct a joint walk-through visit (with HUD's cost analyst and architect/engineer). The appraiser shall determine the acceptability of the subject property for the rehabilitation proposed by the sponsor. The Contractor shall also take pictures of the subject property.
- (b) Conduct the "as is" appraisal:
 - o Using an estimate of replacement cost new, provided by the Cost Processor and adjusted for depreciation.
 - o Estimate final "as is" value based on most appropriate value indicator.
- (c) Conduct the "after rehab" appraisal:

- o Select bed or unit comparables that are similar to proposed rehab project to derive "after rehabilitation" bed or unit income. (NOTE: In calculating bed rate or unit rate income for a SNF or ICF, at least 80% of the rates shall be estimated at the Medicaid rate. Private bed rates significantly in excess of Medicaid rates shall be kept to a minimum.) All information should be well documented.
 - o Finish completing Form HUD-92264NHICF which reflects the "after rehabilitation" project income (realty, nonrealty, and proprietary). Chapter 5 of HUD Handbook 4465.1 describes the procedures to be followed in estimating project bed and unit income. See HUD Handbook 4600.1, Chapter 6, Paragraph 6-3, parts (2)-(4c).
 - o Complete Sections A-D, of Form HUD-92264NHICF ("Project Analysis and Appraisal"), which has been labeled "After Rehab".
 - o Take pictures of the comparables and their immediate areas.
 - o Collect information regarding operating expense comparables to derive the "after rehabilitation" expenses (realty and nonrealty, and proprietary) and record them on a form analogous to Form HUD-92274 ("Operating Expense Analysis Worksheet") that has been hand-labeled "After Rehabilitation". See HUD Handbook 4480.1, p. 2274.1.
- (d) Calculate the net income of the realty and nonrealty portions of the subject property by completing Form HUD-92264NHICF Section K, lines 1-6.
- (e) Complete Section E of the HUD Form-92264NHICF, Estimate of Operating Deficit to comply with HUD Handbook 4600 Rev-1, Paragraph (7-8) E., pages 7-14 and 7-15.
- (f) Complete Section G of the Form HUD-92264, basing the income split on the results from the completion of Section K, lines 1-6 of that form.

- (g) Complete Section K of the HUD Form-92264NHICF, Lines 7,8 by using the Income Approach to Value, as described in HUD Handbook 4600.1 Rev-1
- (h) Calculate the replacement cost formula, as described in HUD Handbook 4480.1, using the "as is" value of the subject property, using criterion 1,3,5, and 6.
- (i) Based upon the Form HUD-92264NHICF "After Rehab" calculations, complete a Trial Form HUD-92264A ("Supplement to Project Analysis").
- (j) Correlate the subject property's value by choosing the least of the three value estimates in Section M of Form HUD-92264NHICF.
- (k) Complete Section H of the Form HUD-92264NHICF, based on the lowest mortgage amount from Form HUD-92264A.
- (m) Estimate the initial deposit to reserve for replacement, as discussed in HUD Handbook 4465.1, Paragraph 10-5, pp. 10-3 through 10-5. Complete Form HUD-92264 "After Rehab", Section G, lines 53-74.

(2) Firm Commitment Stage

If the Feasibility stage is skipped, the Contractor shall complete the tasks described above for Feasibility stage processing. Otherwise, HUD shall forward all Feasibility determinations and analyses to the Contractor and the Contractor shall analyze the sponsor's application to ascertain whether the sponsor has significantly changed the proposed project. If the project has significantly changed, the bed rates and other calculations may have to be reanalyzed. If the application has not significantly changed, the Contractor shall complete all calculations and entries on the Form HUD-92264NHICF, and compute, for the final time, the maximum mortgage amount on the Trial Form HUD 92264A. All appraisal work shall then be forwarded to the GTR.

A general description of processing during the Firm Commitment stage is contained in Handbook 4456.1, Paragraph 1-6.

L. Section 232 -- Acquisition or Refinancing (pursuant to 223(f))

The principle purpose of an appraisal for a Section 232/223(f) Acquisition or Refinancing project is to estimate the market value of the property. "Market value" is defined in HUD Handbook 4565.1, Chapter 5, Paragraph 5-3.

(1) SAMA Stage

Section 232 Acquisition or Refinancing mortgage insurance applications are not processed through a SAMA stage.

(2) Firm Commitment Stage

Along with the project application, Form HUD-92013NHICF and required exhibits, the Contractor shall receive the following documentation regarding the project:

- o Project balance sheets and operating statements
- o Rent roll of the property
- o Legal description of the property
- o Sponsor's list of proposed repairs to the property
- o Sponsor's plans and specifications for the repairs

Once the Contractor has received the above documentation, the Contractor shall:

- (a) Perform an inspection of the property. Optimally, the inspection should be made in conjunction with the architect/engineer or cost analyst, as described in HUD Handbook 4565.1, Chapter 5, Paragraph 5-4, p. 5-2.
- (b) Analyze the project's operating history, as described in HUD Handbook 4565.1, Chapter 5, Paragraph 5-8, pp. 5-3 through 5-4. Estimate the subject property's gross income, based on well-documented comparables, and complete Sections A-C of the Form HUD-92264NHICF.
- (c) Estimate project operating expenses, as described in HUD Handbook 4465.1, Chapter 6, pp. 6-1 through 6-6, and provide documentation for all comparables. Form HUD-92264NHICF, Sections G (lines 53 - 74) and I shall be completed.

- (d) Estimate the remaining economic life of the building, as described in HUD Handbook 4565.1, Chapter 5, Paragraph 5-10.
- (e) Determine the project income between realty/nonrealty and proprietary income by completion Form HUD-92264NHICF, Section K, lines 4 and 5.
- (f) Estimate the market value of the project by the Income Approach as described in HUD Handbook 4565.1, Paragraph 5-9, p. 5-4 and HUD Handbook 4465.1, pp. 7-1 through 7-11. The result shall be recorded on Form HUD-92264NHICF, Section K.
- (g) Estimate the market value of the project by the Summation (Cost) Approach (without depreciation), as described in HUD Handbook 4565.1, Chapter 5, Paragraphs 5-13 and 5-14, p. 5-5, and HUD Handbook 4465.1, pp. 2-1 through 2-6. The result shall be recorded on Form HUD-92264, Section K.
- (h) Estimate, on a preliminary basis, the maximum mortgage amount of the project, as described in Chapter 5, Paragraph 5-15, p. 5-7. Form HUD-92264A ("Supplement to Project Analysis") shall be completed.
- (i) Record remarks as required in HUD Handbook 4565.1, Chapter 5, Paragraph 5-16, p. 5-7 on Form HUD-92264NHICF, Section O.

The Contractor shall finalize all calculations and entries on the Form HUD-92264, and compute, for the final time, the maximum mortgage amount on the Trial Form HUD-92264A. All appraisal work shall then be forwarded to the GTR.

M. Section 241(a) Supplemental Loans

Applications for mortgage insurance to finance supplemental loans for projects with existing insured mortgages are submitted directly for Firm Commitment processing without a Feasibility review.

The nature of the 241(a) program can differ greatly from

other programs identified in this Contract. The sponsor may propose an addition to the existing facility without doing any repairs or rehab to the facility, or propose a substantial rehabilitation of the facility. The nature of the work can focus on an area of the project, such as rehabilitation of the kitchen or an addition for therapy rooms in a nursing home and replacement of the roof or provide for substantial rehabilitation to address all of those areas as well as to cure overall obsolescence.

Whatever form the sponsor's improvement program takes, the Contractor shall determine the value of the improvements and whether the work can be supported by the new rents/fees and charges (for nursing homes, ICFs, etc.). The Contractor shall consider whether the work will show a return, make the project more competitive in the marketplace, extend its economic life, cure obsolescence, etc. as described in Handbook 4585.1.

For subsidized projects, Section 8 funds will be required to support the second mortgage. Therefore, their availability must be demonstrated. The Contractor does not have to show a return to support the second loan for subsidized projects.

In all cases the Contractor shall:

- o Estimate the carrying charges, which include interest, FHA fees, financing fees and legal expenses for the supplemental loan. Builder's and Sponsor's Profit and Risk Allowance (BSPRA) is not allowed.
- o Estimate the net annual income before and after completion of the improvements.
- o Determine whether the net income can support both the first mortgage and supplemental loan.

For programs based on value rather than replacement cost (Sections 223(f), 232, and 232/223(f)), the overall capitalization rate shall be computed consistent with paragraphs 7-1 and 7-2 of HUD Handbook 4465.1 and 4600 Rev-1.

7. RESULTS AND DELIVERABLES

This section describes the forms and documents required to be submitted by the Contractor to the GTR by processing stage. In addition, the Contractor shall provide all supporting

documentation that will allow the GTR to determine how the analysis was performed and a recommendation made.

All of the deliverables to HUD (e.g., the forms and attachments) discussed below shall be reviewed and signed by the Contractor's key personnel, as defined in Section I of this contract.

A. Forms and Exhibits Required

For Section 221(d)(3), 221(d)(4), and 223(f) projects, the Contractor shall be responsible for completing the appropriate sections of the Form HUD-92264 ("Rental Housing Project Income Analysis and Appraisal") or the Form HUD-92264NHICF ("Project Analysis and Appraisal") during each of the three processing stages. This form shall be reviewed and signed by the Contractor before being submitted to HUD. The Contractor shall attach to the Form HUD-92264 both Form HUD 92273 ("Estimates of Market Rent by Comparison") and Form HUD-92274 ("Operating Expenses Analysis Worksheet") for 221(d) processing. Also required will be any forms necessary to complete the processing outlined in Handbook instructions. Other forms necessary such as replacement cost formulas, site not attributable formulas, explanation for methods for arriving at depreciation estimates and capitalization factors will be covered in HUD's case-specific training.

For 232 processing, the Contractor shall document income and expense comparable analyses in a manner analogous to the Forms HUD-92273 and 92274. Narrative, as appropriate, shall be made a part of the processing by additional attachments to the Form HUD-92264. The purpose of this narrative, in part, is to explain the adjustments made to the data on the previous forms.

For all project applications, the Contractor shall be responsible for completing a Trial Form HUD-92264A ("Supplement to Project Analysis").

B. Supporting Documentation

All documentation that supports the appraisal determinations for each program shall be submitted along with the forms mentioned above. In addition to the required forms, the Contractor shall be responsible for submitting documentation that includes photographs of all comparables (e.g., land, existing buildings), as well as any narrative needed to explain unusual adjustments or deductions. To ensure consistent treatment of unusual site conditions for cost

estimation and appraisal purposes, there must be close liaison between the Contractor and HUD's cost estimator or cost Contractor.

8. SCHEDULES

This section sets forth the time frames, by processing stage, which the Contractor shall meet when performing appraisal function at various processing stages of an application for multifamily mortgage insurance. The three stages are further divided according to the two processing scenarios:

- o Two Stage (SAMA/Feasibility, and Firm)
- o One Stage (Firm)

The Contractor shall meet the following processing deadlines for processing a multifamily mortgage insurance application:

- A. Mortgage Insurance Programs - 221(d)(3)&(4), 223(f), 232, 232/223(f) and 241(a) time frames give an overall calendar day time limit for the Valuation Contractor to perform a particular stage. Within the overall limit to perform the appraisal and Valuation analysis (or update, if applicable), there is a minimum time in which to make a required site visit. However, in all cases, the Contractor will receive no more than 5 business days from receipt of the Form HUD-92264 from the Cost analyst to finalize the Valuation processing and return it to the GTR even if this 5-day period extends beyond the overall calendar day limit for the stage. Extensions due to information required by the contractor but not contained in the package submitted may be granted by the GTR.

- (1) Feasibility Stage/SAMA: The Contractor has **30 calendar days in which to complete the processing** between receipt of sponsor's Feasibility/SAMA application from the GTR and return of Contractor's completed processing to the GTR. **Within the overall 30 days, the required site visit shall be made within 5 business days.** However, the Contractor will receive at least 5 business days from receipt of Form HUD-92264 from the Cost analyst to finalize the Valuation processing. A Feasibility stage is only used for substantial rehabilitation projects. It is not used in the 223(f), 232/223(f) or 241(a)

program.

(2) Firm Commitment Stage:

- o Two Stage Procedure: The Contractor has 15 calendar days from receipt of the application to conduct the site visit and submit the completed processing to the GTR updating the Valuation processing done at the SAMA/ Feasibility stage. However, Contractor will receive at least 5 business days from receipt of the Form HUD-92264 to finalize the Valuation processing. The SAMA/Feasibility identifies the date by which the sponsor/mortgagee must submit a Firm Commitment application to HUD.

(c) Time Extensions:

- o A Field Office that rejects a Contractor's work product as "unsatisfactory" may require that the Contractor resubmit the work product according to a shortened timeframe.

9. FAILURE TO MEET ESTABLISHED DEADLINES

Failure of the Contractor to meet the processing time requirements discussed in Section 7 above shall be handled in accordance with the Inspection of Services clause in Section E.

10. DELIVERABLE REQUIREMENTS

When submitting all required deliverables to the GTR, the Contractor shall be responsible for submitting them in the following format:

- o All submissions shall contain a cover letter that clearly and succinctly communicates the recommendation to the GTR. The letter shall discuss the pros and cons used to arrive at the recommendation.
- o All submissions shall contain full documentation. These shall include:
 - All processing forms
 - Copies of appraisals and income and expense

- analyses
- Market analyses, reports and information
- The deliverables specified in Section 6, page C-9.

NOTE: If the key technical staff performing the work is a subcontractor, the final work products shall be reviewed and concurred on by signature of the contractor before submission to the GTR. Only subcontractors acceptable to HUD may be used.

STATEMENT OF WORK PART II**1. BACKGROUND STATEMENT AND NEED FOR SERVICES**

The U.S. Department of Housing and Urban Development (HUD) requires technical support for the preparation of Local Market Area Studies to determine rent comparability of HUD projects with market rate rental projects.

The process will work as follows: the Field Office will, at its discretion, assign a project to a Contractor to perform a **Local Area Market Study**. The contractor shall perform a Local Area Market Study and submit its completed processing to HUD. HUD will review the analysis and use it to determine the appropriate rent levels for the project.

This contract pertains to requests for permission to increase rent levels on HUD insured and/or subsidized apartment buildings. These requests are in accordance with procedures for increasing rents by the Annual Adjustment Factor (AAF), per HUD Housing Notice H95-12, extended to 10/31/97. (See Section J for background information.)

2. DEFINITIONS

The following definitions shall apply to this contract:

- A. Market rent by comparison is the Form HUD-92273.
- B. Contractor is the recipient of this contract, specifically, a person or firm contracted to perform the Valuation (VAL) function as later defined.
- C. Task Order is the mechanism by which HUD will assign work to the Contractor that will perform processing on a particular application or set of applications.
- D. HUD is the U.S. Department of Housing and Urban Development.

3. CONTRACT OBJECTIVES

The purpose of this contract is to obtain the services of a highly qualified real estate appraiser or appraisal firm for the N.Y. Office who can provide technical expertise in the preparation of Local Market Area Studies stated in 1. above.

This contracting mechanism is designed to enable HUD to procure the services of a Contractor to assist in performing a limited appraisal, including technical expertise in the preparation of local market area studies with minimal HUD oversight. Consultations during HUD's review of Contractor work may be required and are part of the work requested of the Contractor.

All completed contract work shall be subject to strict HUD review by the N.Y. Office.

3. SCOPE OF WORK

A. Task Order

The services of a Contractor shall be required by a Task Order which shall specify the work to be performed (limited appraisal function). The process shall proceed as follows:

- o The Field Office may order the services of the Contractor at any stage of processing. Once the Field Office determines that there is a need for services, previous Valuation processing on the project, if any, shall be provided to the Contractor along with the Task Order as needed to conduct the required analyses.
- o The Contractor shall perform the limited appraisal functions specified in the Task Order.
- o Upon completion of the work required in the Task Order, the Contractor shall submit the required deliverables and all relevant documentation to the GTR for review and continued processing.

If the GTR, upon review of the deliverables, determines that the work product is acceptable, the Contractor shall be so notified. However, if the product is judged to be unacceptable, then the Contractor shall be responsible for correcting any problems within the time frame set by the GTR

without additional cost to the Government. (See FAR 52.246-2 Inspection of "Services-Fixed Price").

Upon approval of the work products, the Government will pay the Contractor's invoice for processing services performed.

B. Results And Deliverables

Section J contains the forms and documents that the HUD Appraiser completes and are required to be reviewed and signed by HUD staff.

In addition, the Contractor shall provide all supporting documentation in the form of a narrative review of the completed market study that will allow the GTR to determine how the analysis was performed and a recommendation made.

All deliverables are due no later than seven (7) days from the receipt of the market study documentation.

It is required that the Contractor visit the NYO to meet with the Valuation Staff for a preliminary review of the Local Market Area Study Process documentation. Subsequent case assignments will be faxed or mailed from the HUD Office.

The specific deliverable will be a letter stating your conclusions regarding rent comparables, HUD Forms 92273 and Form 184 for each apartment unit type, photos of each comparable.

C. FORMS AND DOCUMENTS

Section J contains the forms and documents that the HUD Appraiser completes and are required to be reviewed and signed by HUD staff.

SECTION D - PACKAGING AND MARKING

D.1 Payment of Postage and Fees

All postage and fees related to submitting information including forms and reports to the Contracting Officer or to the GTR, shall be paid by the Contractor.

D.2 Marking

All information submitted to the Contracting Officer or the GTR shall clearly indicate the contract order number assigned upon award and the applicable task order number.

SECTION E INSPECTION AND ACCEPTANCE

E.1 HUDAR 2452.246-70 Inspection and Acceptance. (APR 1984)

Inspection and acceptance of all work required under this contract shall be performed by the Government Technical Representative (GTR) identified in Section G, or other individual as designated by the Contracting Officer.

E.2 52.246-4 Inspection of Services - Fixed-Price. (AUG 1996)

(a) Definitions.

"Services," as used in this clause, includes services performed, workmanship, and material furnished or utilized in the performance of services.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test all services called for by the contract, to the extent practicable at all times and places during the term of the contract. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If the Government performs inspections or tests on the premises of the Contractor or a subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, at no increase in contract price, all reasonable facilities and assistance for the safe and convenient performance of these duties.

(e) If any of the services do not conform with contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by reperformance, the Government may:

(1) require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and

(2) reduce the contract price to reflect the reduced value of the services performed.

(f) If the Contractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with contract requirements, the Government may:

(1) by contract or otherwise, perform the services and charge to the Contractor any cost incurred by the Government that is directly related to the performance of such service; or (2) terminate the contract for default.

SECTION F - DELIVERIES OR PERFORMANCE

F.1 2452.211-70 Contract Period (APR 1984)

The performance period of this contract shall be one year from date of award with two option years at the prices specified in Section B, pursuant to FAR Clause 52.217-9 in Section I, page I-3.

F.2 52.211-8 Time of Delivery (JUL 1995)

The Government requires delivery to be made according to the schedule of times, i.e. number of days, specified in Section C, Statement of Work, which shall be closely monitored by the GTR.

F.3 52.252-2 Clauses Incorporated by Reference (JUN 1988)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

52.242-15 Stop-Work Order AUG 1989

52.242-17 Government Delay of Work APR 1984

SECTION G - CONTRACT ADMINISTRATION DATA**G.1 2452.237-73 Conduct of Work (Apr 1984)**

(a) The Government Technical Representative (GTR) for liaison with the Contractor as to the conduct of work will be James Taylor at 212-264-0777 x3747. Successor(s) may be designated in writing by the Contracting Officer.

G.2 2452.237-74 Technical Direction. (JUN 1985)

(a) The GTR will provide technical direction on contract performance. Technical direction includes:

(1) Direction to the contractor as to which areas the Contractor is to emphasize or pursue.

(2) Comments on the approval of reports or other deliverables.

(b) Technical direction must be within the contract Statement of Work. The GTR does not have the authority to issue technical direction that:

(1) Institutes additional work outside the scope of the contract; (2) constitutes a change as defined in FAR 52.243-2; (3) causes an increase or decrease in the estimated cost of the contract; (4) alters the period of performance; or (5) changes any of the other express terms or conditions of the contract.

(c) Technical direction will be issued in writing by the GTR or confirmed by him or her in writing within five calendar days after verbal issuance.

G.3 2452.237-70 Key Personnel. (APR 1984)

The personnel specified below are considered to be essential to the work being performed under this contract. Prior to diverting any of the specified individuals to other projects, the Contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversion shall be made by the Contractor without the written consent of the Contracting Officer; provided, that the Contracting Officer may ratify in writing such diversion and such ratification shall constitute the consent of the Contracting Officer required by this clause. The Schedule may be amended from time to time during the course of the contract to either add or delete personnel, as appropriate.

Name: _____

Title: _____

Telephone: _____

Name: _____

Title: _____

Telephone: _____

SECTION G - CONTRACT ADMINISTRATION DATA

G.4 Authorized Individuals for Issuance and Acceptance of Task Orders.

(a) In accordance with Section I, FAR 52.216-18, Ordering, oral and facsimile issuance of task orders is authorized. Oral authorizations shall be confirmed in writing within five (5) days.

(b) The only HUD individual authorized to place task orders is the **Contracting Officer**.

(c) The GTR(s) may require the contractor to attend a post-award orientation meeting at the Field Office.

G.5 Payment Schedule and Invoice submission (Fixed-Price) Alternate I 2452.232-70 (MAR 1988)

(a) The Government shall pay the Contractor as full compensation for all work required, performed, and accepted under this contract, inclusive of all costs and expenses, the firm, fixed unit price stated in paragraph B.4 Compensation.

(b) Invoices shall be submitted in an original and two (2) copies to the GTR for the applicable HUD office. To constitute a proper invoice, the invoice must include all items per FAR 52.232-25, "Prompt Payment."

(d) The contractor shall submit a voucher form for payment to:

HUD New York State Office
MultiFamily Production Branch, Room 32-37
26 Federal Plaza
New York, NY 10278
ATTN: James Taylor, GTR

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 Confidentiality of Information Obtained in the Performance of this Contract

The Contractor agrees not to disclose or distribute any information obtained in the performance of this contract unless the Contracting Officer has agreed in writing in advance of such disclosure. The written agreement of the Contracting Officer to the release of any information shall state the exact extent of the disclosure, when such release shall be made, and specifically to whom the disclosure shall be made.

H.2 Conflicts of Interest:

The Contractor shall not review cases from any mortgage company which employs the Contractor, or any of the Contractor's employees or immediate relatives, or for which the Contractor performs consulting services. Should the Contractor be assigned any cases which result in an actual or potential conflict of interest, the Contractor shall take no action on the case, but shall refer it immediately to the GTR for reassignment. Violation of this clause is ground for termination of the contract.

H.3 Examination of Records

The government shall have the right to examine the books and other data of the Contractor regarding the contract, upon reasonable notice at all times and places during this Contract.

H.4 Licenses

The contractor shall have all necessary licenses, permits and approvals as required by state and/or local law to meet the requirements of the contract at the time of the designated final date for receipt of proposals.

The contractor shall be a New York State Certified General Appraiser.

SECTION I - CONTRACT CLAUSES

52.252-2 Clauses Incorporated by Reference. (JUN 1988)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. ***** indicates omitted text.

2452.209-72 Organizational Conflicts of Interest (APR 1984)

52.202-1 Definitions. (OCT 1995)

52.203-3 Gratuities. (APR 1984)

52.203-5 Covenant Against Contingent Fees. (APR 1984)

52.203-6 Restrictions on Subcontractor Sales to the Government. (JUL 1995)

52.203-7 Anti-Kickback Procedures. (JUL 1995)

52.203-10 Price or Fee Adjustment for Illegal or Improper Activity. (JAN 1997)

52.203-12 Limitation on Payments to Influence Certain Federal Transactions. (JAN 1990)

52.204-4 Printing/Copying double-sided on recycled paper. (JUN 1996)

52.209-6 Protecting the Government's Interest When subcontracting with Contractors Debarred, Suspended or proposed for Debarment. (JUL 1995)

52.211-11 Liquidated Damages - Supplies, Services, or Research and Development. (APR 1984)

52.215-2 Audit and Records - Negotiation. (AUG 1996)

52.215-22 Price Reduction for Defective Cost or Pricing Data. (OCT 1995)

52.215-24 Subcontractor Cost or Pricing Data. (OCT 1995)

52.215-33 Order of Precedence. (JAN 1986)

52.216-18 Ordering. (OCT 1995) *****

- (a) Any supplies and services to be furnished under this contract shall be ordered by issuance of task orders by the individuals or activities designated in the Schedule. Such orders may be issued for a period of from the effective date of this contract through the expiration of the contract.

52.216-19 Order Limitations. (OCT 1995)

- (a) Minimum order. When the Government requires supplies or services covered by this contract in an amount of less than 1, the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract.
- (b) Maximum order. The Contractor is not obligated to honor:
- (1) Any order for a single item in excess of 3i
 - (2) Any order for a combination of items in excess of 3i

- (3) A series of orders from the same ordering office within 30 days that together call for quantities exceeding the limitation in subparagraph (1) or (2) above.

- (d) Notwithstanding paragraphs (b) and (c) above, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within 1 day after issuance, with written notice stating the Contractor's intent not to ship the item (or items) called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source.

52.216-22 Indefinite Quantity. (OCT 1995)

- (d) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period; provided, that the Contractor shall not be required to make any deliveries under this contract 90 days after the expiration of this contract or option periods which have been exercised.

52.217-8 Option to extend services (AUG 1989)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within the period specified in the schedule.

52.217-9 Option to extend the term of the contract (MAR 1989)

- (a) The Government may extend the term of this contract by written notice to the Contractor within 20 days; provided, that the Government shall give the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.
- (b) If the Government exercises this option, the extended contract shall be considered to include this option provision.
- (c) The total duration of this contract, including the exercise of any

options under this clause, shall not exceed 36 months.

52.219-6 Notice of Total Small Business Set-Aside. (JUL 1996)
 52.219-8 Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns. (OCT 1995)
 52.222-26 Equal Opportunity. (APR 1984)
 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans. (APR 1984)
 52.222-36 Affirmative Action for Handicapped Workers. (APR 1984)
 52.222-37 Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era. (JAN 1988)
 52.223-2 Clean Air and Water. (APR 1984)
 52.223-6 Drug-Free Workplace. (JAN 1997)
 52.223-10 Waste Reduction Program. (MAY 1995)
 52.223-14 Toxic Chemical Release Reporting. (OCT 1996)
 52.224-1 Privacy Act Notification. (APR 1984)
 52.224-2 Privacy Act. (APR 1984)
 52.229-3 Federal, State, and Local Taxes. (JAN 1991)
 52.232-1 Payments. (APR 1984)
 52.232-8 Discounts for Prompt Payment. (APR 1989)
 52.232-11 Extras. (APR 1984)
 52.232-17 Interest. (JUN 1996)
 52.232-23 Assignment of Claims. (JAN 1986)
 52.232-25 Prompt Payment. (MAR 1994)
 52.232-33 Mandatory Information for Electronic Funds Transfer Payment. (AUG 1996)
 52.233-1 Disputes. (OCT 1995)
 52.233-3 Protest after Award. (AUG 1996)
 52.242-13 Bankruptcy. (JUL 1995)
 52.243-1 Changes - Fixed-Price. (AUG 1987) -- Alternate III. (APR 1984)
 52.243-7 Notification of Changes. (APR 1984)

- (b) Notice. The primary purpose of this clause is to obtain prompt reporting of Government conduct that the Contractor considers to constitute a change to this contract. Except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Contracting Officer in writing promptly, within 5 from the date that the Contractor identifies any Government conduct (including actions, inactions, and written or oral communications) that the Contractor regards as a change to the contract terms and conditions.

- (d) Government response. The Contracting Officer shall promptly, within 10 calendar days after receipt of notice, respond to the notice in writing.

- 52.249-4 Termination for Convenience of the Government Services (Short Form). (APR 1984)
- 52.249-8 Default (Fixed-Price Supply and Service). (APR 1984)
- 52.253-1 Computer Generated Forms. (JAN 1991)

SECTION J List of Attachments

Attachment A. Multifamily Summary Appraisal Report HUD-92 264 (8/95) -- 8 pages

Attachment B. Supplement to Project Analysis - HUD Form 92264 A (2/94) -- 4 pages

Attachment C. Operating Expense Analysis Worksheet, HUD 92274 Apartments -- 2 pages

Attachment D. Project Expenses Analysis, Nursing Homes -- 1 page

Attachment E. Notice H 95-12-18 -- 18 pages

Attachment F. Memorandum of June 27, 1995 -- 2 pages

Attachment G. HUD Form 92273 -- 1 page

Attachment H. HUD Form 92264B -- 4 pages

Attachment I. HUD Form 9184 -- 2 pages

Please Note: Not all of the attachments listed in this solicitation are included.

SECTION K - REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFERORS OR QUOTERS

K.1 2452.209-71 Organizational Conflicts of Interest Certification (APR 1984)

The bidder or offeror certifies that to the best of its knowledge and belief and except as otherwise disclosed, he or she does not have any organizational conflict of interest which is defined as a situation in which the nature of work to be performed under this proposed Government contract and the bidder or offeror's organizational, financial, contractual or other interests may, without some restriction on future activities:

(i) Result in an unfair competitive advantage to the offeror; or

(ii) Impair the offeror's objectivity in performing the contract work.

[] In the absence of any actual or apparent conflict, I hereby certify that to the best of my knowledge and belief, no actual or apparent conflict of interest exists with regard to
Offeror(s) or
Bidder(s) _____
possible performance of this procurement.

K.2 2452.203-71 Certification Regarding Federal Employment (DEC 1992)

By assuming an offer, the offeror hereby certifies that it is not owned or substantially owned or controlled by one or more Federal employees.

K.3 2452.226-70 Certification of Status as a Minority Business Enterprise (AUG 1995)

The Bidder, Offeror or Supplier certifies that he or she < > is, < > is not, (check one) a minority business enterprise which is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals. For the purpose of this definition, minority group members are: (Check the box applicable to you)

< > Black Americans < > Asian Pacific Americans

< > Hispanic Americans < > Asian Indian Americans

< > Native Americans

K.4 **52.203-8 Cancellation, Rescission, and Recovery of Fund for Illegal or Improper Activity. JAN 1997**

- (a) If the Government receives information that a contractor or a person has engaged in conduct constituting a violation of subsection (a), (b), (c), or (d) of Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) (the Act), as amended by section 4304 of the 1996 National Defense Authorization Act for Fiscal Year 1996 (Pub. L. 104-106), the Government may--
 - (1) Cancel the solicitation, if the contract has not yet been awarded or issued; or
 - (2) Rescind the contract with respect to which--
 - (i) The Contractor or someone acting for the Contractor has been convicted for an offense where the conduct constitutes a violation of subsection 27 (a) or (b) of the Act for the purpose of either--
 - (A) Exchanging the information covered by such subsections for anything of value; or
 - (B) Obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract; or
 - (ii) The head of the contracting activity has determined, based upon a preponderance of the evidence, that the Contractor or someone acting for the Contractor has engaged in conduct constituting an offense punishable under subsections 27(e)(1) of the Act.
- (b) If the Government rescinds the contract under paragraph (a) of this clause, the Government is entitled to recover, in addition to any penalty prescribed by law, the amount expended under the contract.
- (c) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law, regulation, or under this contract.

K.5 **52.204-3 Taxpayer Identification. (MAR 1994)**

(a) Definitions.

"Common parent," as used in this solicitation provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

"Corporate status," as used in this solicitation provision, means a designation as to whether the offeror is a corporate entity, an unincorporated entity (e.g., sole proprietorship or partnership), or a corporation providing medical and health care services.

"Taxpayer Identification Number (TIN)," as used in this solicitation provision, means the number required by the IRS to be used by the offeror in reporting income tax and other returns.

(b) All offerors are required to submit the information required in paragraphs (c) through (e) of this solicitation provision in order to comply with reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M and implementing regulations issued by the Internal Revenue Service (IRS). If the resulting contract is subject to reporting requirements described in FAR 4.903, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.

(c) Taxpayer Identification Number (TIN).

___ TIN: _____.

___ TIN has been applied for.

___ TIN is not required because:

___ Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the U.S. and does not have an office or place of business or a fiscal paying agent in the U.S.;

___ Offeror is an agency or instrumentality of a foreign government;

___ Offeror is an agency or instrumentality of a Federal, state or local Government.

___ Other. State basis. _____

(d) Corporate Status.

___ Corporation providing medical and health care services, or engaged in the billing and collecting of payments for such services;

___ Other corporate entity;

___ Not a corporate entity;

___ Sole proprietorship;

___ Partnership;

___ Hospital or extended care facility described in 26 CFR 501(c)(3) that is exempt from taxation under 26 CFR 501(a).

(e) Common Parent.

____ Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this clause.

____ Name and TIN of common parent:

Name _____

TIN _____

CIN NUMBER (AS 1909 MAR 97)

THE OFFEROR SHALL SUPPLY ITS CONTRACTOR IDENTIFICATION NUMBER (CIN) WHICH IS THE SAME AS ITS DUNS NUMBER APPLICABLE TO ITS NAME AND ADDRESS. THE NUMBER IS TO BE INSERTED IN THE BLANK BELOW. OFFERORS SHOULD TAKE CARE TO REPORT THE CORRECT CIN AND NOT A SIMILAR NUMBER ASSIGNED TO THE OFFEROR IN A DIFFERENT SYSTEM, SUCH AS TAXPAYER IDENTIFICATION NUMBER (TIN), WHICH IS REQUIRED ELSEWHERE IN THIS SECTION K. IF THE OFFEROR DOES NOT HAVE A CIN NUMBER, ONE MUST BE OBTAINED FROM DUN AND BRADSTREET BY CALLING A TOLL-FREE NUMBER. THE PROCEDURE FOR GETTING A CIN AND THE INFORMATION THE OFFEROR MUST PROVIDE TO DUN AND BRADSTREET WHEN CALLING ARE SET FORTH IN FAR 52.204-6 IN THIS SOLICITATION.

INSERT CONTRACTOR IDENTIFICATION NUMBER HERE:

CIN OF OFFEROR

K.6 52.204-5 Women-Owned Business. Oct 1995

(a) Representation. The offeror represents that it () is, () is not a women-owned business concern.

(b) Definition. "Women-owned business concern," as used in this provision, means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

K.7

52.204-6 Contractor Identification Number--Data Universal Numbering System (DUNS) Number. (DEC 1996).

(a) Contractor Identification Number, as used in this provision, means "Data Universal Numbering System (DUNS) number," which is a nine-digit number assigned by Dun and Bradstreet Information Services.

(b) Contractor identification is essential for complying with statutory contract reporting requirements. Therefore, the offeror is requested to enter, in the block with its name and address on the Standard Form 33 or similar document, the annotation "DUNS" followed by the DUNS number which identifies the offeror's name and address exactly as stated in the offer.

(c) If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one. A DUNS number will be provided immediately by telephone at no charge to the offeror. For information on obtaining a DUNS number, the offeror should call Dun and Bradstreet at 1-800-333-0505. The offeror should be prepared to provide the following information:

- (1) Company name.
- (2) Company address.
- (3) Company telephone number.
- (4) Line of business.
- (5) Chief executive officer/key manager.
- (6) Date the company was started.
- (7) Number of people employed by the company.
- (8) Company affiliation.

(d) Offerors located outside the United States may obtain the location and phone number of the local Dun and Bradstreet Information Services office from the Internet Home Page at <http://www.dbisna.com/dbis/customer/custlist.htm>. If an offeror is unable to locate a local service center, it may send an e-mail to Dun and Bradstreet at globalinfo@dbisma.com.

K.8

52.209-5 Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters. (MAR 1996)

- (a) (1) The Offeror certifies, to the best of its knowledge and belief, that:
- (i) The Offeror and/or any of its Principals:
 - (A) Are _____ are not _____ presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;

- (B) Have _____ have not _____ within a 3-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and
- (C) Are _____ are not _____ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.
- (ii) The Offeror has _____ has not _____, within a 3-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
- (2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).
This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under section 1001, title 18, United States Code.
- (b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offerer learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.
- (d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

K.9 52.215-6 Type of Business Organization. (JUL 1987)

The offeror or quoter, by checking the applicable box, represents that:

(a) It operates as _____ a corporation incorporated under the laws of the State of _____, _____ an individual, _____ a partnership _____ a nonprofit organization, or _____ a joint venture; or

(b) If the offeror or quoter is a foreign entity, it operates as _____ an individual, _____ a partnership, _____ a nonprofit organization, _____ a joint venture, or _____ a corporation registered for business in _____ (country).

K.10 52.215-11 Authorized Negotiators. (APR 1984)

The offeror or quoter represents that the following persons are authorized to negotiate on its behalf with the Government in connection with this request for proposals or quotations:

Name: _____ Name: _____

Title: _____ Title: _____

Phone: _____ Phone: _____

K-11 52.215-20 Place of Performance. (APR 1984)

(a) The offeror or quoter, in the performance of any contract resulting from this solicitation, _____ intends, _____ does not intend (check applicable block) to use one or more plants or facilities located at a different address from the address of the offeror or quoter as indicated in this proposal or quotation.

(b) If the offeror or quoter checks "intends" in paragraph (a) above, it shall insert in the spaces provided below the required information:

Place of Performance
(Street, City, Country, Zip Code)

Name and address of Owner and
Operation of the Facility if Other
than Offeror or quoter

K-12 52.219-1 Small Business Concern Representation. (JAN 1997)

- (a)
- (1) The standard industrial classification (SIC) code for this acquisition is 6531.
 - (2) The small business size standard is \$1.5 million.
 - (3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.
- (b) Representations.
- (1) The offeror represents as part of its offer that it () is, () is not a small business concern.
 - (2) (Complete only if offeror represented itself as a small business concern in block (b)(1) of this section.) The offeror represents as part of its offer that it () is, () is not a small disadvantaged business concern.
 - (3) (Complete only if offeror represented itself as a small business concern in block (b)(1) of this section.) The offeror represents as part of its offer that it () is, () is not a women-owned small business concern.
- (c) Definitions.
- "Joint venture", for purposes of a small disadvantaged business (SDB) set-aside or price evaluation preference (as prescribed at 13 CFR 124.321), is a concern that is owned and controlled by one or more socially and economically disadvantaged individuals entering into a joint venture agreement with one or more business concerns and is considered to be affiliated for size purposes with such other concern(s). The combined annual receipts or employees of the concerns entering into the joint venture must meet the applicable size standard corresponding to the SIC code designated for the contract. The majority of the venture's earnings must accrue directly to the socially and economically disadvantaged individuals in the SDB concern(s) in the joint venture. The percentage of the ownership involvement in a joint venture by disadvantaged individuals must be at least 51 percent.
- "Small business concern", as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and the size standard in paragraph (a) of this provision.
- "Small disadvantaged business concern", as used in this provision, means a small business concern that (1) is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business having at least 51 percent of its stock unconditionally owned by one or more socially and economically disadvantaged individuals, and (2) has its management and daily business controlled by one or more such individuals. This term also means a small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian tribe or Native Hawaiian Organization, or a publicly owned business having at least 51 percent of its stock unconditionally

owned by one or more of these entities, which has its management and daily business controlled by members of an economically disadvantaged Indian tribe or Native Hawaiian Organization, and which meets the requirements of 13 CFR Part 124.

"Women-owned small business concern", as used in this provision, means a small business concern--

- (1) Which is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
- (2) Whose management and daily business operations are controlled by one or more women.

(d) Notice.

- (1) If this solicitation is for supplies and has been set aside, in whole or in part, for small business concerns, then the clause in this solicitation providing notice of the set-aside contains restrictions on the source of the end items to be furnished.
- (2) Under 15 U.S.C. 645(d), any person who misrepresents a firm's status as a small or small disadvantaged business concern in order to obtain a contract to be awarded under the preference programs established pursuant to sections 8(a), 8(d), 9, or 15 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall--
 - (i) Be punished by imposition of fine, imprisonment, or both;
 - (ii) Be subject to administrative remedies, including suspension and debarment; and
 - (iii) Be ineligible for participation in programs conducted under the authority of the act.

K.13 52.222-22 Previous Contracts and Compliance Reports. (APR 1984)

The offeror represents that:

- (a) It _____ has, _____ has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation, the clause originally contained in Section 310 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114;
- (b) It _____ has, _____ has not, filed all required compliance reports; and subcontractors, will be obtained before subcontract awards.

K.14 52.222-25 Affirmative Action Compliance. (APR 1984)

The offeror represents that (a) it _____ has developed and has on file, _____ has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) it _____ has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

K.15 52.223-1 Clean Air and Water Certification. (APR 1984)

The Offeror certifies that:

- (a) Any facility to be used in the performance of this proposed contract is _____, is not _____ listed on the Environmental Protection Agency List of Violating Facilities;
- (b) The Offeror will immediately notify the Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the Environmental Protection Agency, indicating that any facility that the Offeror proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and
- (c) The Offeror will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

K.16 52.223-13 Certification of Toxic Chemical Release Reporting (OCT 1996)

- (a) Submission of this certification is a prerequisite for making or entering into this contract imposed by Executive Order 12969, August 8, 1995.
- (b) By signing this offer, the offeror certifies that--
 - (1) As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C.11023) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C.13106), the offeror will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a) and (g) of EPCRA and section 6607 of PPA; or--
 - (2) None of its owned or operated facilities to be used in the performance of this contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons: (Check each block that is applicable.)
 - (i) The facility does not manufacture, process, or otherwise use any toxic chemicals listed under section 313(c) of EPCRA, 42 U.S.C. 11023(c);
 - (ii) The facility does not have 10 or more full-time employees as specified in section 313(b)(1)(A) of EPCRA, 42 U.S.C. 11023(b)(1)(A);
 - (iii) The facility does not meet the reporting thresholds of toxic chemicals established under section 313(f) of EPCRA, 42 U.S.C. 11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);

- (iv) The facility does not fall within Standard Industrial Classification Code (SIC) designations 20 through 39 as set forth in Section 19.102 of the Federal Acquisition Regulation; or
- (v) The facility is not located within any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Northern Mariana Islands, or any other territory or possession over which the United States has jurisdiction.

SIGNATURE BLOCK.

By signature below, the bidder/offeror certifies that all Representations and Certifications contained in the solicitation are complete and accurate as required; is aware that award of any contract to the bidder/offeror shall be considered to have incorporated the applicable representations and certifications by reference in accordance with FAR 14.201-1(c) or 15.406-1(b), and is aware of the penalties described in 18 U.S.C. Section 1001 and the Program Fraud and Civil Remedies Act of 1986 (31 U.S.C. 3801 - 3812) for making false statements in bids/proposals.

Signature

Typed Name

Title

Date

SECTION L - INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS OR QUOTERSL.1. 52.252-1 Solicitation Provisions Incorporated by Reference. (JUN 1988)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

L.2. 2452.209-70 Organizational Conflicts of Interest Notification (FEB 1987)L.3. 2452.215-70 Proposal Content and Outline (OCT 1995)

A. Proposals shall be submitted in two separate parts as further described in paragraphs B. C. and D. below. Each of the parts must be complete in itself so the evaluation of each part may be conducted independently, and so that the technical and management part may be evaluated strictly on its own merit. Proposals shall be submitted in the format, if any prescribed elsewhere in this solicitation. Proposals shall be enclosed in sealed packaging and addressed to the office specified in the solicitation. The offeror's name and address, the solicitation number and the date and time specified in the solicitation for proposal submission must appear in writing on the outside of the package.

B. Proposals shall be submitted in original and **four** copies of each Part I and **two** copies of Part II.

C. Part I - Technical and ManagementSection 1 Technical Expertise

A. The offeror shall provide evidence that he/she is a New York State Certified General Appraiser.

B. Describe the methods to be undertaken to perform the various service items specified in Section C.1 (See pages C-1 to C-23) and C.2 (See pages C-24 to C-26).

C. Submit one sample appraisal for a multifamily residential property of at least 100 units and one case of a nursing home of at least 100 beds.

Section 2 Past Performance

Document prior and current experience in the field reviews of appraisals which includes reviews of Local Area Market Studies as per requirements in Section C.1 and C.2 of this solicitation. Include names, addresses and telephone numbers of references. The government reserves the right to request information from any source so named.

Section 3 Management Capability.

A. Describe an organization structure capable of completing the work assignments in a timely manner. Indicate how the organization will be able to function in the event the primary participants are not able or available for assignments. The Offeror shall complete Section G, Page G-1, Key Personnel. The offeror shall provide the names, position descriptions and information to support the qualifications--including relevant experience, specialized training and education--of all proposed key personnel (see the clause entitled "Key Personnel" in this solicitation for further definition). The term "personnel" shall include any proposed consultants and subcontractor employees who will perform duties of key personnel.

B. Describe the ability to perform work in all geographic areas served by the HUD New York Office, which includes the five boroughs of New York City, and the surrounding counties of Nassau, Suffolk, Westchester, Putnam, Orange, Rockland, Dutchess, Sullivan and Ulster. Approximately 80% of the work will be in the five boroughs, 15% in Nassau, Suffolk and Westchester and 5% in the remaining counties.

D. Part II--Cost Proposal.

(1) The Offeror must complete and sign the Standard Form 33, Solicitation, Offer and Award.

(2) The Offeror shall complete the Representations and Certifications provided in Section K of this solicitation and include them in this Part II. Section B of this solicitation.

L.4. 2452.224-70 Freedom of Information Act Notification (APR 1984)

Proposals submitted in response to this solicitation are subject to disclosure under the Freedom of Information Act (FOIA). To assist the Department in determining whether or not to release information contained in a proposal in the event a FOIA request is received, offerors may, through clear earmarking or otherwise, indicate those portions of their proposals which they believe should not be disclosed. While an offeror's advice will be considered by the Department in its determination whether to release requested information or not, it must be emphasized that the Department is required by the FOIA to make an independent evaluation as to the information, notwithstanding the offeror's views. It is suggested that if an offeror believes that confidential treatment is appropriate, the basis for this view should be provided, where possible, because general assertions or blanket requests for confidentiality, without more information, are not particularly helpful to the Department in making determinations concerning the release of information under the Act. It should also be noted that the Department is required to segregate disclosable information from non-disclosable items, so particular care should be taken in the identification of each portion for which confidential treatment is requested. Offeror's views concerning confidentiality will be used solely to aid the Department in preparing its response to FOIA requests. Further, offerors should note that the presence or absence of such comments or earmarking regarding confidential information will have no bearing whatsoever on the evaluation of proposals submitted pursuant to this solicitation, nor will the absence of this earmarking automatically result in greater disclosure.

L.5 SIC Code and Small Business Size Standard.

The standard industrial classification code for this procurement is 6531. The Small Business Administration Size Standard is \$1,500,000 in average annual sales or receipts(*) for the preceding three (3) years.

(*) As measured by total revenues, but excluding funds received in trust for an unaffiliated third party, such as bookings or sales subject to commissions. The commissions received would be included as revenue.

L.6. 52.215-5 Solicitation Definitions. (JUL 1987)L.7. 52.215-7 Unnecessarily Elaborate Proposals or Quotations. (APR 1984)

Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective response to this solicitation are not desired and may be construed as an indication of the offeror's or quoter's lack of cost consciousness. Elaborate art work, expensive paper and bindings, and expensive visual and other presentation aids are neither necessary nor wanted.

L.8. 52.215-8 Amendments to Solicitations. (DEC 1989)L.9. 52.215-9 Submission of Offers. (JUL 1995)L.10. 52.215-10 Late Submissions, Modifications, and Withdrawals of Proposals. (AUG 1996)

(a) Any proposal received at the office designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it:

- (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);

- (2) Was sent by mail and it is determined by the Government that the late receipt was due solely to mishandling by the Government after receipt at the Government installation;
- (3) Was sent by U.S. Postal Service Express Mail Next Day Service - Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and U.S. Federal holidays;
- (4) Was transmitted through an electronic commerce method authorized by the solicitation and was received by the Government not later than 5:00 p.m. one working day prior to the date specified for receipt of proposals; or
- (5) Is the only proposal received.
- (b) Any modification of a proposal or quotation, except a modification resulting from the Contracting Officer's request for "best and final" offer, is subject to the same conditions as in subparagraphs (a)(1), (2), and (3) of this provision.
- (c) A modification resulting from the Contracting Officer's request for "best and final" offer received after the time and date specified in the request will not be considered unless received before award and the late receipt is due solely to mishandling by the Government after receipt at the Government installation.
- (d) The only acceptable evidence to establish the date of mailing of a late proposal or modification sent either by U.S. Postal Service registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks must show a legible date or the proposal, quotation, or modification shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, offerors or quoters should request the postal clerk to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.
- (e) The only acceptable evidence to establish the time of receipt at the Government installation is the time/date stamp of that installation on the proposal wrapper or other documentary evidence of receipt maintained by the installation.
- (f) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent by Express Mail Next Day Service-Post Office to Addressee is the date entered by the post office receiving clerk on the "Express Mail Next Day Service-Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service, "Postmark" has the same meaning as defined in paragraph (d) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, offerors or quoters should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.
- (g) Notwithstanding paragraph (a) of this provision, a late modification of an otherwise successful proposal that makes its terms more favorable to the Government will be considered at any time it is received and may be accepted.
- (h) Proposals may be withdrawn by written notice or telegram (including mailgram) received at any time before award. Proposals may be withdrawn in person by an offeror or an authorized representative, if the representative's identity is made known and the representative signs a receipt for the proposal before award.

- (i) If an emergency or unanticipated event interrupts normal Government processes so that proposals cannot be received at the office designated for receipt of proposals by the exact time specified in the solicitation, and urgent Government requirements preclude amendment of the solicitation or other notice of an extension of the closing date, the time specified for receipt of proposals will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal Government processes resume. If no time is specified in the solicitation, the time for receipt is 4:30 p.m., local time, for the designated Government office.

L.11. 52.215-12 Restriction on Disclosure and Use of Data (APR 1984)

L.12. 52.215-13 Preparation of Offers. (APR 1984)

L.13. 52.215-14 Explanation to Prospective Offerors. (APR 1984)

L.14. 52.215-15 Failure to Submit Offer. (JUL 1995)

L.15. 52.215-16 Contract Award. (OCT 1995)

(a) The Government will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the Government, cost or price and other factors, specified elsewhere in this solicitation, considered.

(b) The Government may (1) reject any or all offers if such action is in the public interest, (2) accept other than the lowest offer, and (3) waive informalities and minor irregularities in offers received.

(c) The Government intends to evaluate proposals and award a contract without discussions with offerors (except communications conducted for the purpose of minor clarification). Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint. However, the Government reserves the right to conduct discussions if later determined by the Contracting Officer to be necessary.

(d) The Government may accept any item or group of items of an offer, unless the offeror qualifies the offer by specific limitations. *Unless otherwise provided in the Schedule, offers may be submitted for quantities less than those specified. The Government reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit cost or prices offered, unless the offeror specifies otherwise in the offer.*

(e) A written award or acceptance of offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall result in a binding contract without further action by either party. Before the offer's specified expiration time, the Government may accept an offer (or part of an offer, as provided in paragraph (d) above), whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an offer do not constitute a rejection or counteroffer by the Government.

(f) Neither financial data submitted with an offer, nor representations concerning facilities or financing, will form a part of the resulting contract. However, if the resulting contract contains a clause providing for price reduction for defective cost or pricing data, the contract price will be subject to reduction if cost or pricing data furnished is incomplete, inaccurate, or not current.

(g) The Government may determine that an offer is unacceptable if the prices proposed are materially unbalanced between line items or subline items. An offer is materially unbalanced when it is based on prices significantly less than the cost for some work and prices which are significantly overstated in relation to cost for other work, and if there is a reasonable doubt that the offer will result in the lowest overall cost to the Government, even though it may be the low evaluated offer, or it is so unbalanced as to be tantamount to allowing an advance payment.

(h) The Government may disclose the following information in post-award debriefings to other offerors: (1) the overall evaluated cost or price and technical rating of the successful offeror; (2) the overall ranking of all offerors, when any ranking was developed by the agency during source selection; (3) a summary of the rationale for award; and (4) for acquisitions of commercial end items, the make and model of the item to be delivered by the successful offeror.

L.16. 52.216-1 Type of Contract. (APR 1984)

The Government contemplates award of a Firm-Fixed-Price, Indefinite-Quantity, with cost-reimbursement portions contract resulting from this solicitation.

L.17. 52.233-2 Service of Protest. (OCT 1995)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO) or the General Services Administration Board of Contract Appeals (GSBCA), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgement of receipt from:

Edwin T. Steffek, Contracting Division
26 Federal Plaza, Room 35-120
New York, NY 10278-0068.

(b) The copy of any protest shall be received in the office designated above on the same day a protest is filed with the GSBCA or within one day of filing a protest with the GAO.

(c) In this procurement, you may protest to the GSBCA because of the nature of the supplies or services being procured.

SECTION M: EVALUATION FACTORS FOR AWARD**M.1. General**

(a) The Government will make award to the responsible offeror whose offer conforms to the solicitation and is most advantageous to the Government, price and other factors considered. For this solicitation, technical and management quality is more important than price. However, as proposals become more equal in their technical merit, the evaluated price becomes more important. As the technical merit and the evaluated price become essentially equal, the evaluated price will be of primary importance in determining the proposal most advantageous to the government.

(b) The Government may award a contract to other than the lowest offer, i.e., that which represents the lowest price. Proposals shall first be evaluated from a technical standpoint without regard to proposed prices. The Factors and their relative weights to be used to evaluate proposals are set forth below. All offerors must meet the minimum qualifications listed in Section L, Instructions, Conditions and Notices to Offerors. The Government may make multiple awards.

(c) For the purposes of determining the lowest proposed prices, the following weights shall be applied:

Price Item--Section B.5 I	40%
Price Item--Section B.5 II	60%

M.2. Technical Proposal Evaluation Criteria.

This evaluation shall be based upon the completeness and thoroughness of the proposal submitted. The offeror must demonstrate his/her understanding of the requirements set forth in the solicitation, in particular Section C, Specifications/Work Statement. It is requested that technical proposals be organized according to the ranking of the factors listed below.

TECHNICAL AND MANAGEMENT FACTORS**MAXIMUM POINTS****1. TECHNICAL EXPERTISE****35 POINTS**

Extent to which proposal addresses the methods by which appraisals of multifamily housing will be conducted. This includes rental apartments, and co-operative type apartments, nursing homes and housing for any special populations, such as elderly or handicapped. Knowledge and methodology will be evaluated according to the requirements of Section C of this solicitation. Examples of such appraisals shall be submitted to document methodologies proposed and will be evaluated by the selection panel. Submit one sample case for a multifamily residential property of at least 100 units and one case of a nursing home of at least 100 beds.

2. PAST PERFORMANCE**35 POINTS**

Demonstrated prior and current experience in the appraisal of multifamily properties and nursing homes by submitting a list of previously processed cases per requirements in Section C.1 and C.2 of this solicitation.

3. MANAGEMENT CAPABILITY**30 POINTS**

A. Demonstration of an organization structure of the firm that indicates the ability of the respondent to complete the work assignments in a timely manner. An indication must be made that the organization will be able to function in the event the primary participants are not able or available for assignments. Specifically a list of qualified persons who work for or do work for the respondent would be submitted. The presentation should be as detailed and specific as possible to demonstrate the workflow of the firm.

- B. Demonstration of ability to perform work in all geographic areas served by the HUD New York Office, which includes the five boroughs of New York City, and the surrounding counties of Nassau, Suffolk, Westchester, Putnam, Orange, Rockland, Dutchess, Sullivan and Ulster. Approximately 80% of the work will be in the five boroughs, 15% in Nassau, Suffolk and Westchester and 5% in the remaining counties.

M.3. 52.217-5 Evaluation of Options (JUL 1990)

Except when it is determined in accordance with FAR 17.206(b) not to be in the Government's best interests, the Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).